

HOME NEWS

Prison system severely disrupted as 42 institutions refuse to accept any admissions

By Craig Seton

The rapid stepping up of industrial action by Britain's 20,000 prison officers caused severe disruption at prisons yesterday, 42 jails and other penal establishments were refusing to accept admissions from magistrates' courts.

Hundreds of prisoners are being held temporarily in police cells.

Officials of the Prison Officers' Association are meeting Lord Belstead, Under-Secretary of State at the Home Office, today to discuss the dispute, but Mr Peter Rushworth, its deputy general secretary, said he did not expect much progress from the talks.

He also rejected an appeal by Mr William Whitelaw, Home Secretary, for moderation and gave a warning that the extension of industrial action had not reached a peak and would eventually mean that every prison and penal

establishment in the country was affected.

The Prison Department said yesterday that 42 establishments were refusing to admit prisoners who were remanded or convicted at magistrates' courts. Prison officers were also refusing to escort prisoners to and from courts. Two of Britain's largest prisons, at Manchester and Liverpool, are affected as well as at Ormskirk, Scrubs and Holloway in London.

Prison officers at nine other establishments were carrying out only basic duties, such as providing meals and allowing "slop" out.

A total of 404 prisoners from magistrates' courts were being held in police cells in the North and Midlands.

Scotland Yard said yesterday that prisoners remanded by magistrates in London would, in the first instance, be taken into police custody and after "processing" would be dispatched to other police accommodation.

The prison officers' action, in its eighth day yesterday, is over the Home Office's refusal to go to arbitration in a dispute about payments for meal breaks. Mr Whitelaw, who was at the annual conference of the Prison Boards of Visitors, said the officers' action could only harm the prison service.

The prison population of 44,000 was dangerously high and probably it would increase next month. He would have to convince the Government, Parliament, the judiciary and the public before he took measures to bring about an immediate reduction.

Mr Rushworth, whose union members intensified their action when the Home Office refused to withdraw a memorandum of advice to prison governors, said: "The action is spreading right across the country. Mr Whitelaw is on this point when he rejects arbitration. It must be being done on doctrinal grounds."

Parents' plea after police questioning

Mr and Mrs Harold Frost, who say they gave their 15-year-old son, Robert, an impression of police questioning yesterday after 53 hours of police questioning.

In tears, they called on the couple to whom they gave the child to come forward.

Mr and Mrs Frost, of High Street, Hanging Heaton, near Dewsbury, West Yorkshire, say they gave away two of their babies, Harold and Helen, to Mr and Mrs Robert Barker in the late 1960s. They believe Mr and Mrs Barker later emigrated to Australia, taking the children with them.

Mr Frost, aged 34, made his appeal to the Barkers as he and his wife Elizabeth, aged 33, returned from police headquarters.

"We have a message for the Barkers," he said. "Go to the police station, for God's sake, and let them know. He said the police had not accused them of killing the children."

Mr and Mrs Frost have two other children, Gavin, aged nine months, and Elizabeth, aged 15.

Mr Peter Williams, their solicitor, said last night that they were going to continue to co-operate with the police.

Shop stewards unite to challenge leaders

By David Felton

A national movement by shop stewards to challenge the authority of their union leaders through links between unofficial union combines in 17 big United Kingdom companies was launched yesterday.

Shop stewards and union conveners have created the Joint Forum of Combine Committees, the aim of which, the organizers said yesterday, was to represent the views of rank and file union members more effectively.

Stewards from the unofficial company combines, which include members of all unions represented in their factories, intend to seek influence in most of the 50 biggest and multinational companies in Britain.

Mr James Murray, Amalgamated Union of Engineering Workers' convenor at Vickers in Newcastle, said: "We believe our members are not being fully represented because of a great integration of the trade union leadership into government and into corporate structures. They do not necessarily represent our interests."

He dismissed the "sweetheart" relationship that some national union officials had

with managements and said that present union structures had not been able to prevent large-scale redundancies and de-industrialization.

The combines presented a three-point programme which covered trade union reform, shop stewards' organizations in large corporations and new union policies "based squarely on our members' needs".

Leaders of the new organization said the trade union movement had to develop new structures to deal with increasing centralization of big companies and the growth in influence of multinationals.

"Present union structures are based on response to nineteenth century entrepreneurial capitalism with district committees and branches," Mr Murray said.

Among the companies where shop stewards are moving in the new forum are Vickers, Lucas Aerospace, Dunlop, Metal Box, British Aerospace, and Thorn-EMI.

The combines hope to exert influence on many other things, the harmonization of fringe benefits between manual and staff workers, alternative corporate structures and plans, and responses to new technologies.

Embassy official jailed for drug smuggling

By John Witherow

A Moroccan Embassy employee smuggled £635,000 of cannabis resin into Britain inside a diplomatic bag in June, it was alleged yesterday in Crown Court, Suffolk, yesterday.

Muhammad Uddin Chishid, aged 47, a Pakistani, who was employed as personal secretary to the Moroccan Ambassador in Islamabad, Pakistan, was jailed for nine years after pleading guilty to the charge of smuggling the drug into Britain.

The drug, weighing about one third of a ton, was found when the diplomatic bag, in that case a large crate, fell from a forklift truck and smashed open at Harwich docks, Essex.

Customs officers found 15 hold-alls and two suitcases containing the drug known as "Pakistani black". That has been scarce because of the fighting in Afghanistan and would have had a street value of £635,140, the court was told.

Mr Chishid said he had been promised £25,000 by an international drug dealer in Pakistan to hide the cannabis in the crate, which was addressed to the Moroccan Embassy in London. He added that the man, known as Omar Khan, had organized drug smuggling on a large scale through diplomatic channels.

A customs official said that was probably the largest consignment of drugs that had

been smuggled into Britain inside a diplomatic bag.

Diplomatic bags, which can vary in size from an envelope to a 10-ton crate, may not, under the 1961 Vienna Convention on Diplomatic Relations, be opened or examined by X-ray. They have been used to smuggle everything from arms and drugs to works of art and, in one case, a live man.

A Mexican and a Uruguayan ambassador were once imprisoned in the United States for smuggling \$13.5m of heroin into that country.

Most cases involving abuse of diplomatic privilege are never made public because the diplomats are immune from prosecution.

Dame Judith at meeting to discuss 'smear'

By David Spanier

Dame Judith Hart, MP for Larnark, said after a meeting at the Foreign Office yesterday to discuss allegations against her made in a South African newspaper that she was leaving the matter there.

She had a 45-minute meeting with Sir Ian Gilmour, Lord Privy Seal, at her request, and declined to say more.

Dame Judith, who was until recently opposition spokesman on overseas development, had been much concerned at "smear tactics" against her. Reports by a former official at the International University Exchange Fund in Geneva, who turned out to be a South African undercover agent, appeared in the Johannesburg Sunday Times.

She has received a grant of £1500 from the fund to assist her research.

Journalists' union drops visit to Soviet Union

By Donald Macintyre

The National Union of Journalists has withdrawn from a joint print union delegation visiting Russia next week as guests of the Soviet Cultural Workers' Union.

Its executive has decided not to accept the invitation, which was extended to all the unions represented on the TUC Print Industries Committee.

The Society of Graphical and Allied Trades, the National Society of Operative Printers, Graphical and Media Personnel, and the National Graphical Association are all expected to go.

NUJ officials have given a confused picture of reasons for the cancellation.

Mr Ronald Knowles, the press officer, said that the main reason was that the union had been a feeling in the executive that the NUJ's finances did not extend to paying the fares of its representatives as required by the terms of the visit.

He said that the NUJ representatives were to have been Mr Kenneth Ashton, the general secretary, and Francis Beckett, the president, neither of whom dissented from the cancellation.

There were, however, objections from some right and some left-wing members of the executive on political grounds. At least one member of the executive argued that the union should not lay itself open to the charge of condoning the Soviet regime, particularly after the controversy surrounding the cancelled TUC trip to the Soviet Union.

Other executive members argued that while the union should not adopt a "cold war" posture towards Russia, it would be particularly inappropriate to send a delegation there when editors of the philosophical and literary underground publication *Poizis* had been facing trial.

The motion approved by the executive gave no specific reason for cancelling the visit.

Independent research unit set up to monitor drugs

By Annabel Ferriman

A medicines surveillance centre is being set up to monitor the side effects of drugs before and after they are granted a product licence.

The centre, which is being established by the Royal College of General Practitioners and a new independent company, Medical Monitoring and Research, will carry out tests initiated and paid for by the drug companies.

It is being set up as a result of increased public concern about drug side effects after the thalidomide tragedy of the 1960s and because some drug companies think its tests will carry more weight than their own studies.

About two thousand family doctors are expected to take part in the five or six studies a year which the centre will conduct. A two-year study on

20,000 patients is expected to cost a company more than £500,000.

All results will be reported to the Committee on the Safety of Medicines (CSM), the drug company concerned and the doctors taking part in the study. If the CSM does not think the side effect thought to be important by the centre, it will issue warnings to the public.

Dr Alastair Donald, chairman of the Royal College's council, said at the launching yesterday: "We believe that the drugs used for common ailments are those that must be most secure from side effects."

"If you are being treated for terminal cancer, you do not want to be so much if your hair falls out, but if you are on long-term treatment for coronary heart disease, high blood pressure, arthritis or even acne, it is very important that you do not go blind in the process."

LEB accused over hardship cases

By Robin Young

The London Electricity Board is accused of totally unacceptable behaviour and "smear practice" towards consumers in hardship in a report by the Child Poverty Action Group published yesterday.

The report's author, Dr Peter Levin, a member of the London Electricity Consultative Council, says that his findings after a week in a LEB district office prove an urgent need for the appointment of an ombudsman for the nationalized industries.

He also suggests that the Board may not be able to meet its social responsibilities as a monopoly supplier of an essential commodity without recasting its top management.

The report accuses the Board of mishandling potential hardship cases, of breaking the code of practice agreed by fuel boards to protect consumers in hardship from disconnection,

IBA told of failure to keep promises and asked to appoint Mercia City council opposes A TV contract renewal

By Kenneth Gosling

Birmingham City Council, the largest local authority in the Midlands, where the television audience is calculated at 10 million, has asked the Independent Broadcasting Authority not to renew the contract of ATV Network Ltd and to appoint Mercia Television Ltd, one of the two challengers for the franchise, instead.

In doing so, the council accuses ATV of failing to keep promises and describes proposed changes in company structure and policies as cosmetic and window dressing.

The council's submission to the IBA comes only a week before ATV, Mercia and Midlands Television Ltd are due to present their cases to the IBA in London.

Mercia issued a statement saying: "Clearly, it is a pity that the team as it is an all-party endorsement of our place."

Birmingham council said in its submission that ATV's production and policies were directed primarily at overseas markets. It supported the view that the company had "represented the problems of downtown San Francisco on the television screen rather than problems of the region."

Mercia, it said, presented the most acceptable proposition for opening the Midlands franchise; proposals for involving local authorities and local

people in equal partnership with management and financial institutions presented a unique opportunity for the community to influence the franchise holder's policies.

Referring to the financial benefit ATV drew from the region, the council statement said that in spite of that an approach for a financial contribution towards the city's acquisition of the Hippodrome Theatre had been rejected by Lord Grace, chairman of the parent company, Associated Communications Corporation.

"Again, this failing was demonstrated when the city council made available, at a low cost, the site for the current ATV Centre in return for promises that the company would

include in the centre, when completed, a cinema theatre and exhibition hall."

"Not one of these facilities has been forthcoming although various excuses have been made. The city council was the promises made by ATV with scepticism, given their previous record of not holding any promises made."

The council added that, now, when the franchise award was being considered, had ATV recognized the need to demonstrate their interest in the East Midlands and were prepared to concentrate production in the Midlands by closing their Elstree facilities.

ATV said last night that they would be sending the council's statement.

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Panzers find a welcome years on

By Henry Stanhope

Defence Correspondent

Twenty years ago, when the German army was "reborn," a windy Welsh coast was the place where the place was born. The place is Dyfed, where the Welsh coast was the place where the place was born. The place is Dyfed, where the Welsh coast was the place where the place was born.

Today Dr Jürgen West German ambassador at the time, to a Anglo-German which has been a social success.

More than 51,000 beretted German soldiers have been trained at the Welsh coast. Some 2,800 arrive in three weeks at a time and November make way for the first of the winter.

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Mr Ronnie Bunting, one of the murdered men, and his wife, Suzanne, who was seriously injured, photographed after their marriage.

Republican group's theory on killings

Continued from page 1

emulate the Provisional IRA's policy of administering atrocities.

Major Bunting, aged 56, was detained at the Royal Victoria Hospital last night after visiting his injured daughter-in-law. He is believed to have a history of heart trouble.

He is a former regular Army officer and was prominent in organizations such as the United Protestant Volunteers and the Loyalist Citizens of Ulster and was leading a group for a short time with the Rev Ian Paisley.

His murdered son, who was 32, was a former internee and a founder member of the IRSP in December, 1974. It is generally described as the political

wing of the Irish National Liberation Army, murderers of Mr. Albert Neave, and began as a breakaway group from the official IRA. The IRSP and official IRA were engaged in a bloody feud in the mid 1970s during which Mr Bunting was shot in the neck.

The IRSP, which was registered as a political party in the Irish Republic in 1975, maintains that it does not carry out military operations. It said last night that the murder of two local activists was part of an attempt by "pre-IRA elements" to destroy the movement. Provisional Sinn Féin said it believed Crown forces were actively involved in the killings.

Murder charge withdrawn: Police in the Irish Republic yesterday withdrew a charge of murder against a man arrested in connection with Monday night's killing of a policeman in co. Wexford (Our Dublin Correspondent writes).

The man, arrested on Tuesday night, less than 24 hours after Detective Garda Seamus Quaid was shot dead. Later the same night he was charged with the murder at a special court sitting in Wexford town, but when the court sat yesterday morning the charge was withdrawn after the state solicitor said that the directions of the Director of Public Prosecutions had been misunderstood.

Ulster GOC wants Army off the streets

From Christopher Thomas

Belfast

The Army's determination to get off the streets of Ulster as soon as possible was emphasized last night by Lieutenant-General Sir Richard Lawson, general officer commanding Northern Ireland.

"We are not a substitute for a police force," he told Belfast City councillors. "Soldiers are not trained to be policemen. In any case our whole philosophy is different. So when police have to start acting as policemen, it is time to drink again."

As the situation improved the Army would be ready to return its soldiers to barracks to get on with their primary task of preparing for war.

"The permanent presence of armed soldiers in the streets is not an acceptable long-term solution for any part of the United Kingdom. So, where no task exists we remove our soldiers from those particular streets as soon as it is safe to do so."

His comments came at a time of redeployment of the Army in many parts of Ulster. In the Northwest of the province more soldiers have been removed from outposts and based centrally in Londonderry and Strabane; two Belfast bases are being closed; 420 more soldiers are about to be sent to Ulster, increasing emphasis on being placed on border areas, particularly on Fermanagh.

General Lawson, who assumed command in Northern Ireland last January, said security measures were constantly reviewed.

A key part of the Government's policy for law and order was that the Army operated in support of the Royal Ulster Constabulary. He had no doubts about that policy.

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Lady Barnett says she offered to pay

Lady Barnett, aged 62, the television personality, said at Leicester Crown Court yesterday that she offered to pay for two items she took in a store at Leicester last night after she had been pinned inside her car for fear of being mugged.

She said she apologized to the storekeeper and added that she did not realize the items were there. She said she was simply a victim of a mugging.

She said she was not guilty to stealing the items, valued at 37p, from the shop.

Earlier, Mr Graham Buchanan, for the prosecution, said that Lady Barnett was taken back to the store by Mr Fowkes who said he had reason to believe she had taken goods without paying. Mr Fowkes said she was putting items from a display into a secret pocket inside her coat. Lady Barnett allegedly replied: "Yes I have". She opened her coat to show the items and said she was taking from it a carton of cream and a tin of tuna fish.

Later, counsel continued, Lady Barnett denied to two police officers any intent to steal. She said it was simply a case of absent-mindedness.

The trial continues today.

Many parents condoning truancy, Lady Young say

By Diana Geddes

The extent to which truancy from school is condoned and even sometimes encouraged by parents is a matter for concern, Lady Young, Minister of State for Education and Science, told a one-day national conference on school absence yesterday.

The Government had emphasized parents' rights, but parents also had important responsibilities, she said. They had a legal duty to secure the education of their child at school. In 1978, there were 3,500 prosecutions of parents in magistrates' courts for failure to comply with that law.

A Government survey in 1974 had shown that on any one day 100,000 children between the ages of 11 and 16, or 3 per cent of pupils, were likely to be absent from school with no good reason. Later surveys had suggested that one out of five was absent from school without a good reason.

The conference was organized by the Department of Education and Science and the Welsh Office as part of their study of "the complex relationships between activities within the school and behaviour outside, with particular attention to school attendance and ways of improving it". Lady Young emphasized that no extra funds would be made available.

The Government, in its

three to one. Those were deeply worrying facts.

Things might be improved if more were done to involve parents in decisions about the school's objectives, disciplinary matters and expectations for their children, she suggested.

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The Government, in its

recent White Paper on education, expressed the view that "good schools and achieving high work and conduct influence on pupils that reached for school and classroom."

Mr. J. H. H. O. education officer expressed concern about the time for counselling, prevent them from becoming truants, and the time for counselling, prevent them from becoming truants, and the time for counselling, prevent them from becoming truants.

Reprimand for naval officer after sea crash

From Our Correspondent

Portsmouth

A young naval officer whose ship hit a granite breakwater at high speed was found guilty and severely reprimanded by a court martial at Portsmouth yesterday.

Lieutenant William Andrew, aged 27, was in command of the 100-ton fast patrol boat HMS Sabre when she crashed into a breakwater off Alderney in dense fog. The ship was severely damaged and is still undergoing repairs.

Lieutenant Andrew, from Tavistock, Devon, denied two charges of negligence and recklessness against his ship.

In mitigation, Lieutenant Commander Simon Stone said: "Lieutenant Andrew was mortified about the damage. It must have been a terrible experience."

Thriftest motorists

A survey by the Automobile Association of its five regions shows that Midlands motorists run their cars for 7.8p a mile, the lowest rate.

and of fostering the idea that the code is something that "spongers" exploit.

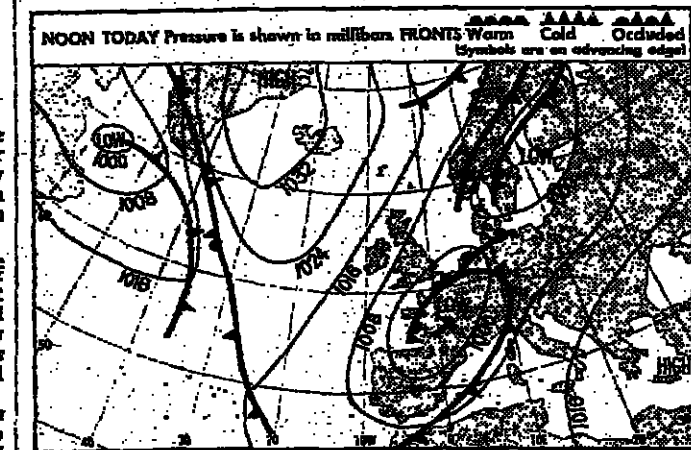
It further accuses the Board of making arbitrary and inconsistent demands for recognition charges, attendance charges and security deposits, sometimes without warning or explanation to the consumer, and without consulting the London Electricity Consultative Council, which is supposed to represent consumers' interests.

Dr Levin says: "If the LEB continues its present practice, very many low-income households will face debt and disconnection, with concomitant risks of accidents in unlit homes, fires started by unsafe paraffin heaters, and death by hypothermia."

The report shows a striking rise in the number of disconnections in London.

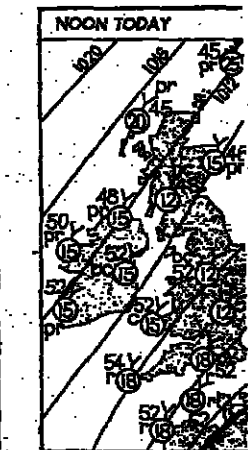
He concludes that the board is implementing a vigorous disconnection policy that does not discriminate effectively between consumers who are in hardship and those who are not.

Weather forecast and recordings



Today	Sum rises:	Sum sets:	Max temp:	Min temp:
	7.26 am	6.05 pm	10° to 12°C (50° to 54°F)	4° to 6°C (39° to 43°F)
	Moon rises:	Moon sets:		
	11.17 pm	11.17 pm		
	Sum rises:	Sum sets:		
	7.26 am	6.05 pm		
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	Sum rises:	Sum sets:		
	7.26 am	6.05 pm		
	Moon rises:	Moon sets:		
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	Sum rises:	Sum sets:		
	7.26 am	6.05 pm		
	Moon rises:	Moon sets:		
	11.17 pm	11.17 pm		

HOME NEWS



Nuclear protesters pay up: Seven of the eight nuclear protesters who paid fines totalling £2,560 with cheques written on barrels of mock radioactive waste at Dursley Magistrates' Court, Gloucestershire, yesterday. All had been involved in stopping a train

carrying nuclear waste to Sharpness docks for dumping at sea, by building a 20ft scaffolding tower on the line near Dursley in July. Each barrel carried a cheque for £320, either painted or stuck on the side, from the Sharpness defence fund set up after the fines were imposed. When in line

the drums spelled out a message of thanks to the various groups who had given money. Mr David Kennedy, the court clerk, who received the barrels, said: "It is just a normal cheque. They have chosen a rather puerile way of paying their fines, and caused a certain amount of inconvenience."

Organizer of Scottish terrorism conspiracy jailed for 16 years

From Ronald Faux

The six men who were said to have plotted to win Scottish independence through the use of the bomb and the gun, were sentenced at the High Court in Glasgow yesterday to jail terms ranging from six to sixteen years.

Lord McDonald said he did not consider their plot was one incompetently carried out, but bungling amateur.

"I regard it as a serious conspiracy entered into by determined, unscrupulous and cowardly individuals, a menace to the safety and wellbeing of decent citizens of this country," he said.

"In the present case, those accused of conspiracy were prepared to kill, maim and injure innumerable in-

nocent persons had their scheme borne fruit. The extent of such injury and damage to property was incalculable. That that did not occur was due to swift action by the police."

The leader of the conspiracy, to further the aims of the Scottish Republican Socialist League by criminal means, was Peter Wardlaw, aged 32, who was jailed for 16 years. His chief lieutenant Alexander Ramsay, aged 29, received 15 years. Both had been found guilty of the conspiracy charge, including theft, robbery and acquiring firearms, ammunition and explosives.

For their part in the gang's activities, David Hunter, aged 24, of Edinburgh and Leonard Reynolds, aged 36, of Preston, were each sentenced to 10 years in prison. Thomas Bryan, aged 23, of

Easterhouse, Glasgow, and Ewan Bickerton, aged 20, of Govan Glasgow, received six years each. Dominic McGrady, aged 30, of Easterhouse, was cleared on the judge's direction of the conspiracy charge but received eight years jail for his part in robbing a Post Office of £100,000.

Other charges included armed raids on an off-licence and a post office in Glasgow and a plot to blow up the Scottish Assembly building in Edinburgh. Mr Wardlaw was also found guilty of having guns and ammunition with intent to endanger life and using a loaded pistol to resist arrest at a house in Arbroath. The gang was cleared of several charges, including an attempt last January to blow up the Glasgow Stock Exchange.

Britain's air defences under test

By Our Defence Correspondent

More than 200 aircraft from the RAF and from six other allied nations are testing Britain's fragile air defences in a two-day exercise which is due to end tonight.

"Attacks" will be launched against RAF radar stations at Boulmer, Northumberland, Buchan, Grampian, and Staxton, North Yorkshire. There will also be air strikes on RAF bases at Binbrook, Coningsby, North Coates, all in Lincolnshire, and at Leuchars, Fife.

The exercise, Priory 2-80, will test the readiness of the RAF defence squadrons. Elder Forest, one of a series of exercises, held earlier this year, is said to have underlined how hard-pressed the RAF might be in a war, but also how quickly the Phantoms and Lightnings which now make up the thin blue line could be re-armed and refuelled in an emergency.

Press ban lifted 'to try to stop gossip'

A solicitor asked at Newcastle upon Tyne Magistrates' Court yesterday for reporting restrictions to be lifted to try to stop some of the gossip about Pamela Collison, a political researcher.

Miss Collison, aged 32, of Margaret Road, Barnet, Herts, was remanded in custody for a week charged with the murder of Mrs Margaret Vickers, aged 44, the wife of Mr Paul Vickers, aged 46, a surgeon. He was also charged with the murder of his wife in June last year.

Mr Clive McKee, for the defence of Miss Collison, said: "It is an unusual case by any standards. What was perhaps particularly unusual was the fact that the police were not objecting to bail for Miss Collison."

He continued: "The police are saying to you, in fact, that they do not object to bail being granted to her. They would not be doing so if they had the slightest concern that she would not appear to stand her trial, or would interfere with witnesses."

Mr McKee said that the police told magistrates last week that Mrs Vickers had died in June last year. "In June 1980, Miss Collison approached the Metropolitan Police with certain evidence about prescriptions. She had obtained drugs and forwarded them to Newcastle. A post-mortem examination showed Mrs Vickers' cause of death was aplastic anaemia."

Mr McKee said Miss Collison was of excellent character. "She is the person who went to the police in the first place, indeed, doing her public duty. It is only as a result of what she said to the police that this matter comes about at all."

"She has been the target of a great deal of speculation and a great deal of press reporting. That is one of the reasons why it has now been decided that press restrictions should be lifted." She would be pleading not guilty.

Mr McKee said later that he would be applying to a judge in chambers for bail.

Landlords ban black applicants for lettings, race commission says

By Lucy Hodges

The Commission for Racial Equality (CRE) announced yesterday that it had uncovered alarming discrimination in private rented housing after investigating two small accommodation bureaux.

It said the extent of racial discrimination it had found at D.S. Services in Birmingham, which is run by an Asian, and Allen's Accommodation Bureau in west London, both of which have now been served with non-discrimination notices, was typical of small agencies in certain areas.

"What emerges from both investigations is a pattern of landlords regularly instructing agencies not to send along black applicants for lettings," Mr Malcolm Lee, one of the CRE's commissioners, said.

These are the first investigations by the commission into the private rented sector and Mr Lee said the results were particularly depressing in view of the 12 years that had passed since the Race Relations Act.

The CRE found that both companies acted under instructions from landlords to reject "blacks", "coloured tenants", "Asians", "immigrants" or "foreigners" for vacant property. A former employee of D.S. Services told the commission that while she worked there only four out of forty lettings were open to blacks.

Mr Curdersingh Morda, director of D.S. Services, was said to have told the CRE that the company had to accept discriminatory instructions because it was their "bread and butter". The commission quotes him as saying: "If a landlord stipulates 'No Greeks', we do not send him Greeks."

The commission says it was satisfied with the cooperation it received from Allen's Accommodation Bureau, which was in a strong contrast to the attitude of D.S. Services. The inquiries into Allen's took only nine months, whereas those into D.S. Services were spread over two years.

In the case of D.S. Services the commission had to issue a subpoena notice for information and had to go to court to enforce it when Mr Morda did not comply. It was later obliged to go to court again to enforce the court order, and Mr Morda was fined.

Under the terms of the non-discrimination notices, both firms have to give written instructions to their staff not to discriminate. They are also required to issue an equal opportunity statement to all landlords, and to open their books to the commission periodically.

Mr Morda said yesterday that he had written to the Prime Minister to say that the CRE was talking nonsense and was wasting taxpayers' money. "I always abide by the law," he said. "I only discriminate against people who are unemployed."

How can I discriminate on racial grounds? I am Indian and my dad was in the Indian army for 20 years," He rejected the CRE's finding.

Witness jailed in conspiracy case released

From Our Correspondent

Mrs Linda Williams, aged 25, a secretary with the Welsh Language Society, who was jailed at Cardiff Crown Court on Tuesday for contempt, was freed yesterday after agreeing to give evidence in a conspiracy trial.

Judge Williams was told that the Welsh Language Society had agreed that Mrs Williams could give evidence.

The judge said that what happened on Tuesday was sufficiently purged by Mrs Williams, of Cynffelin, Aberystwyth, Dyfed, spending a night in custody. He proposed to take no further action.

Eryl Fychan, aged 21, of Denbigh, a former member of the society, has denied conspiring to cause criminal damage to a BBC television transmitter at Midhurst, Sussex. The trial continues today.

Complaint that teachers use 'Little Black Sambo'

From John Chartres

Allegations that the book *Little Black Sambo* was still being used as a teaching aid in Manchester schools, and that Pakistani women seeking jobs in at least one large city store were still required to wear skirts rather than trousers, were made yesterday.

The special Commons sub-committee on race relations and immigration had moved from Liverpool to Manchester to continue investigations into the position of ethnic minority communities in the North-West.

Mr Roy Blackman, a member of the West Indian coordination centre in Manchester, a secondary school teacher, told the sub-committee that *Little Black Sambo* was still being used.

He told the chairman, Mr John Wheeler, Conservative MP for Paddington, that use of that book and the teaching of

history based on the nineteenth century, contributed to young blacks' inbuilt inferiority complex.

Other witnesses alleged that only about 2 per cent of black people were employed in Manchester city's local government services.

Mr Colin Barnett, secretary of the north-west regional council of the TUC and secretary of the north-west Council against Racism, said: "One can detect an increase in racism. This is because of the unemployment position and the seeking of jobs."

Black community leaders told *The Times* outside the formal proceedings that a cynical view was being taken of the special sub-committee proceedings. Mr Blackman said: "We have all heard this sort of thing for years past and nothing changes. Many of us feel that this is just a public relations exercise."

'Nationwide' unfair to water authority, BBC rules

By Kenneth Gosling

A complaint by the Thames Water Authority about unfair treatment by the BBC in a *Nationwide* television broadcast has been upheld by the BBC Programme Complaints Commission.

It found for the authority on four headings: breach of faith—the BBC had proposed a documentary but the programme as broadcast consisted mainly of damaging and untrue criticisms of extravagance and lack of accountability; failure by the BBC to afford the authority an equal right of reply; partisan comments by the BBC reporter; and trivialized presentation with animated cartoons intended to ridicule.

In its judgement, the commission said that in an interview broadcast on February 29, two days after the programme complained of, Mr Hugh Fish, chief executive of

Thames Water, had refused a number of the criticisms in terms that did something to remedy, but did not eradicate, the unfairness caused by the programme, in which criticism had been advanced in detail with pictorial support and BBC endorsement.

The programme alleged that because of the lack of accountability in the water industry, the executive officers ran their organizations extravagantly and the Thames Water Authority had been "accused of being the most profligate". Instances were presented of alleged extravagant or wasteful expenditure.

The commission exonerates the BBC reporter involved, who was not named. It was the BBC, they said, who by editing the defence out of the programme as broadcast made the reporter appear to be engaged throughout in siding with the critics.

In brief

December milk price rise sought

Milk prices should rise in December and then a third until next October, Mr Nicholas Jewry, president of the Dairy Trade Federation, said yesterday. He wanted the December increase to be "3p or 4p a pint".

Although farmers and dairy men faced increases, he believed that large or frequent increases would reduce demand for bottled milk. This is about the third successive year in which we have had falling sales," he said.

Hecklers ejected

The police removed homosexuals who heckled Mrs Mary Whitehouse, president of the National Listeners and Viewers' Association, at St Lawrence Jewry Church, City of London, yesterday. She was taking part in a series of talks entitled "The Family: its subversion", one of which is to deal with homosexuality.

Conservation post

Mr Nicolas Allen, aged 27, an Edinburgh graduate in Scottish historical and architectural studies, has been appointed research officer of the Scottish Conservation Bureau, which was opened in Edinburgh yesterday.

Mrs Mop cleans up

Mrs Ivy Mills, aged 49, a cleaner at Barclays Bank, Commercial Road, Portsmouth, went there yesterday as a customer to deposit a cheque for £464.361 from a Littlewoods pools win.

New mosque

A purpose-built mosque for the Bangladeshi community was planned yesterday by Bradford council's planning panel.

Fire raiser sought

The police were looking for a fire raiser after 30 residents were rescued yesterday from an old people's home at Broxtowe estate, Nottingham. The hall had been splashed with paraffin and ignited.

Judge told union will discuss election dispute

A dispute over balloting for the general secretaryship of the joiners' union is to be considered by the union's general council. Mr Justice Browne-Wilkinson was told in the High Court yesterday.

Mr Alexander Irvine, QC, for Mr Barry Williams, aged 51, an unsuccessful candidate in the election, said Mr Williams's appeal against the election of Mr James Murray, aged 60, would be heard promptly.

The judge adjourned until November 17, at the earliest, the hearing of an application by Mr Williams for an order preventing Mr Murray taking office.

Mr Quentin Edwards, QC, for the union, said it had been arranged that the general council should start to hear Mr Williams's appeal on November 17. Mr Murray, counsel added, would take no part in deliberations of the general council on any decision concerning the elections or final ballot.

Murder trial held up as Crown witness taken ill

The murder trial of Henry MacKenney and others was interrupted at the Central Criminal Court yesterday when John Childs, the chief prosecution witness, who is serving a life sentence for murder, became distressed.

Mr Justice May ordered an adjournment when Mr Childs, who was in the witness box, was seen moving his lips but making no sound.

A prison officer moved to support Mr Childs, and Mr MacKenney, who has denied six murders, shouted from the dock: "He should go to the asylum."

After the adjournment Mr Childs said he had not wanted to go ahead with the killing of Mr George Brett, a road haulier, when he knew Mr Brett's son, aged 10, was with him.

When challenged over his account of the killing, he said: "As God is my witness that is right. I would not willingly become a child murderer." The trial continues today.

Council leader says counting lamp-posts is one way to save ratepayers' money

From Ronald Kerishaw

The Labour-controlled South Yorkshire County Council has one in for caustic criticism in recent weeks for what Conservative council colleagues consider to be irregular activities of a time-consuming and expensive nature.

They included such schemes as counting lamp posts, checks on prams, a highways inventory of road signs, kerps, gulleys and so like, and what was termed "sandwich survey" in which county council lunch snacks were compared for price and quality with those of outside urvers.

Mr Roy Thwaites, leader of the council, yesterday hit back at the critics, lambasting them as "ill-informed", making "ill-judged" comments and betraying "their own incompetence or management."

Mr Thwaites made it clear that the object of the various exercises in the long term was to save money and avoid unnecessary rate increase. He has dismissed as inaccurate suggestions that next year's county rate will double.

He explained that as a new authority, created in 1974, the council had to collate the high-

way records of more than 30 smaller authorities, many of which lacked the kind of information required, in order to decide on maintenance work programmes and avoid wasted time, abortive work and extra cost.

The opportunity to gather that information at little cost to the council came with the job creation programme and the special temporary employment programme funded by governments through the Manpower Services Commission.

Among many MSC projects sponsored by the council, three dealt with improving information for highways maintenance.

Mr Thwaites said: "Since mechanical street sweeping, grass cutting and gully clearance alone cost the county council about £1m a year, a modest improvement in work programming of 5 per cent will rapidly repay the cost to the public purse of the survey."

On the lamp-post count, he said the county bypassed a charge based on numbers of street lamps and on the kinds of lamps used. Significant cost and energy savings were possible if old, high-wattage lamps and fittings were replaced by lower

energy lamps providing the same illumination. On the pram check, Mr Thwaites said mothers were invited to make their children's pushchairs to consumer advice centres after a child had lost two finger ends in a pushchair accident. The survey showed that most faults were in pushchairs under a year old and as a result the British Standards Institute was considering extending tests on pushchairs.

In the "sandwich survey" two members of the treasury department's staff, over a working week, bought sandwiches from several town centre shops in Barnsley. It was "no more than the usual and prudent commercial practice of assessing prices and quality of local competitors' products," Mr Thwaites said.

"Taken together, it is peculiar that these particular criticisms of South Yorkshire County Council should come from the Conservative Party, which likes to project itself as especially well-versed in techniques of efficient business administration."

"Perhaps it is just that they are very ignorant of what is required for good local government."

"They give you the feeling: 'It's nice having you with us'."

This is an authentic passenger statement.

Lufthansa
German Airlines

Consult your Travel Agency or our timetable for exact details on all of our flights.

HOME NEWS

James Callaghan, conservative mediator who tried to run Labour by consensus

By Ian Bradley

It is a sad irony that Mr James Callaghan should have resigned the Labour leadership in an atmosphere of dissection and factionalism in the party whose unity and solidarity he prized.

It is also ironic that both his brief premiership and his recent efforts to preserve the Labour Party's constitution from changes proposed by the left should have foundered largely because of the actions of the trade unions, of which he has been a great friend and supporter.

The last few months have seen Mr Callaghan at his most characteristic, acting as a fixer and mediator, but for once without success. His particular talents were never more needed, nor more tried, than in the attempt to head off the left's assault on the party constitution.

To his critics, Mr Callaghan's career has been an example of mediocrity, triumphing through opportunism. While no intellectual, he has been a wily political operator and tactician. As an ex-colleague put it: "If Hugh Gaitskelli's motto was 'fight, fight and fight again', then Jim Callaghan's is 'manoeuvre, manoeuvre and manoeuvre again'."

There is a feeling that he more than anyone else can be held responsible for sacrificing the independence, principles and ideology of the Labour Party to the narrow interests of the trade unions.

If there is a consistent theme running through Mr Callaghan's career and marking the brief Callaghan years at the party is a belief in the importance of voluntary consent. It can be seen in his opposition to the *In Place of Strife* and in his ill-fated attempt to persuade the unions to accept a 5 per cent incomes policy nearly 10 years later. He still believes that the only answer to Britain's malaise is to secure a permanent voluntary agreement between government and trade unions.

Role of international statesman

He has always enjoyed the role of international statesman. Sometimes, indeed, he has enjoyed it too much. It was his confidence after a particularly good international summit meeting in Guadeloupe in 1975 that made him make the celebrated and uncharacteristic faux pas on returning to a strike paralyzed Britain: "Crisis? What crisis?"

His skill as a negotiator also helped him rise through the Labour Party. It was also an advantage that, unlike those with more restless and intellectual minds, he did not tire of committee meetings and the business of drafting and redrafting amendments. He coped well with the drudgery of political life.

His personal qualities have proved a great asset in his career. He is manifestly a decent and honest man. As one ex-colleague puts it, "he epitomized the Labour ideal."

His reactions to trade union leaders to Mr Callaghan's retirement last night mirrored the split that divided the Labour Party conference earlier this month. But a clear move to draft Mr Michael Foot as a caretaker leader emerged.

Mr David Basset, leader of the General and Municipal Workers and chairman of Trade Unions for Labour Victory, urged Mr Foot to take over until an election could be held under the extended franchise narrowly approved by the conference.

"The Parliamentary Labour Party should now respond to what happened at conference and respect the decisions of conference," he said. "We will support anyone who is elected as leader for the election," he said. Support for this line came from Mr Clive Jenkins, general secretary of the Association of Scientific, Technical and Managerial Staffs.

"Mr Foot is widely respected in the party and would clearly be a figure acceptable to everybody," he said.

Mr Frank Chapple, the election leader, expressed

His public image of a benign, avuncular figure is on the whole a representation of his own character

mines the decency of social democracy, perhaps slightly dull, but standing essentially for social cohesion, justice, and stability. His image in public life of a benign, avuncular figure, is on the whole a true representation of his character.

The regime that Mr Callaghan ran at No 10 was more relaxed and more conventional than that of Sir Harold Wilson. There were no kitchen cabinets and secret cabals, no paranoia about the press, no controversial honours lists or appointments (except for the appointment of his son-in-law, Mr Peter Jay, as ambassador to Washington).

In his own views, as in his behaviour, Mr Callaghan is "old fashioned". He sets great store by the importance of family life (his own is close and happy), and he has a puritanical streak that makes him dislike long hair, drug-taking and sexual permissiveness. Although his natural conservatism has given him a rapport with Labour voters, it has also meant that as a leader he lacked vision and ideological commitment. His strengths lie in his capacities for management and judgment. He admitted in November 1979 that the Labour Party had not developed intellectual leadership, and that there had not been enough long-term thinking, although he also told his critics that "I do sometimes look a little further than the end of my nose."

Mr Callaghan was the first British Prime Minister since Ramsay MacDonald not to have been to university and he has always been conscious of his lack of higher education. He is uneasy in the presence of intellectuals and students. He often entertained union leaders at No 10 because he felt happier in their company. At the same time, intellectual brilliance could dazzle him: some friends say that is what lay behind the appointment of Mr Jay.

This aspect of his background affected Mr Callaghan personally and politically. Like many people of his class, he has always taken a great pride in the symbols of his power, the direct telephone lines to the White House and the international awards, as well as the honours he has come in. His lack of university education has isolated him both from the perceptive tradition of Labour politicians, like Anthony Crosland, Hugh Gaitskelli and Michael Foot, and from the technocrats like Harold Wilson and Roy Jenkins. He belongs more closely to the working class trade union tradition epitomized by Ray Gunter and George Brown.

Mr Callaghan was born in Portsmouth on March 27, 1912. His father was a chief petty officer in the Royal Navy, who served in the royal yacht Victoria and Albert and was invalided out of the service in 1914-15. He died after being wounded at the Battle of Jutland. He died when Mr

Callaghan was nine. His mother was left with two young children and without a pension.

Mr Callaghan left Portsmouth North Secondary School at the age of 16 and went to Maidstone as a junior tax officer in the Inland Revenue. It was at Maidstone that he met and courted the girl who became his wife, James and Audrey Callaghan met at the local Baptist chapel. Calm, generous, and well-liked, she provided him with a stable home and family life. She has also involved herself in many voluntary charitable and philanthropic activities. Friends say that she is more left-wing than her husband and that she has proved a sage adviser and counsellor.

Enjoyed committees and speechmaking

During the 1930s Mr Callaghan became active in the affairs of the Association of Tax Officers (later the Inland Revenue Staff Federation) and in 1936 he became its Assistant Secretary. He had espoused trade unionism not out of any great political principles, but because he felt that he should be involved and because he enjoyed the committee work and speechmaking that others found so unappealing. Although he had joined the Labour Party in 1931, he was not active politically and there was no reason to think that he was destined for a political career.

Mr Callaghan owed his political career to the upheaval of the Second World War, in which he served first as an ordinary seaman and then as a lieutenant in the Royal Navy, and to the patronage of Harold Laski, who had been impressed by his trade union work. Laski urged him to get into politics and helped him to become a candidate for Cardiff South in 1944, defeating Mr George Thomas, the present Speaker. In 1945 Mr Callaghan won the seat and became a Cardiff South-East. He has held it since then.

Although he did not shine among the huge intake of new Labour MPs in the post-war Parliament, Mr Callaghan made his mark in the parliamentary party through his abilities as a good committee man. He was appointed parliamentary private secretary to Mr John Parker, Under Secretary of State for Dominion Affairs, and in 1947 became parliamentary secretary to the Ministry of Transport. By that time he was also chairman of the Defence and Services Committee of the Parliamentary Labour Party.

In opposition during the 1950s, Mr Callaghan carefully avoided allying himself with either of the factions within the party. Although his belief in maintaining NATO and the Atlantic Alliance put him on



The new MP: Mr James Callaghan (right) after winning his first election in 1945. With him outside City Hall, Cardiff, are (from left) Mr Hilary Marguard, the Lord Mayor of Cardiff and Mr George Thomas, now the Speaker.

the Gaitskelli side against Bevan, he avoided becoming committed to Clause Four or unilateral nuclear disarmament. This studied lack of identification with particular factions was one reason for Mr Callaghan's broad-based popularity within the party.

He was also helped by his bonhomous personality and his assiduous courting of the trade unions. He achieved the rare distinction for a non-left winger of being elected to the constituency section of the National Executive Committee of the party every year but one between 1957 and 1963. He was also the only Labour MP to be elected to the Shadow Cabinet every year from 1951 to 1964. Mr Gaitskelli appointed him frontbench spokesman on colonial affairs in 1957 and in 1961 he became Shadow Chancellor of the Exchequer.

When Hugh Gaitskelli died in 1963, Mr Callaghan put himself forward as a candidate for his successor. Although he had the support of a formidable group of the party who distrusted Harold Wilson, including Denis Healey, Roy Jenkins, Anthony Crosland, Douglas Jay and Michael Stewart, he was eliminated on the first ballot, largely because he and George Brown split the anti-Wilson vote.

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There was, however, one area which came under the remit of the Home Secretary in which he showed a rather better Ulster, where the troubles came to a head in 1967, brought out the best of his talents as a balancer and negotiator.

The opposition, which Mr Callaghan led as Cabinet and in the party, to the trade union reform proposed in the White Paper *In Place of Strife* in 1969 must form a central part of an assessment of his career. To his opponents it was a piece of opportunism. In Barbara Castle's diaries, for example, he is cast as a snake in the grass, disloyally manoeuvring for his own advantage. His friends, however, maintain that Mr Callaghan opposed the proposals because he did not believe that legal restraints were the way to deal with trade union power.

Mr Callaghan was not a brilliant success as Home Secretary. He had little interest in the job and lacked the liberal reforming instincts of his predecessor. His innate conservatism was a liability. A major piece of legislation he put on to the statute book: the 1968 Commonwealth Immigration Act, which restricted the entry into Britain of Kenyan Asians having United Kingdom passports and was the first law to take notice of racial differences among British subjects.

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demands of left wing president over a government took an increasingly unkind turn. By the summer the inflation rate was 8 per cent, and these indications that it would at that level well into 1979. Mr Callaghan tried even more from the producing his 5 per guidelines in September to ward largely because confident that he could the unions to that fig he did not call an election following month, an advice of many of his advisers and when p gestured that Labour might home.

Sense of betrayal in unions

His decision not to country produced a betrayal among the v ers who felt that he too much on old fe loyalty and had asked do more than they co

The 5 per cent p Callaghan in series strikes during the ear of 1979. Action by a public service unit ambulance drivers, pattern and graverides deep public distress they angered Mr Callaghan's popular. Then the commitment fish and Welsh devol direct was a mood f inconclusive support Government's propi March Mr Callaghan stration was brought a vote was no con stand for an incre only in this century.

In the May gene Labour under Mr C leadership presented more conservative and the Conserva Mr Callaghan ap appeared radical. laghan made the that and played up mon sense in contra Thatcher's stridently approach. The cou ever was in a mood f the chance and easily won the poll.

Many welcomed Mr Callaghan's premiership. He was seen to be the man who could get on with the unions and hold a tight but voluntary incomes policy. That he did successfully throughout 1976 and 1977, helped by the IMF and the support of Labour's precarious majority, which necessitated the "Lab-Lab" pact, he was able to resist the

Reckoningly, he bested the opposition the commission's call of an electoral or electing the leader. Until the party this year, it was assumed that Mr would stand down a leadership election. I party was a reason state. But the mess Blackpool greatly inc pressure on him u least until after the s reference in January, hoped will settle the choice of a new leader.

Mr Callaghan has g now, because, h assumed, he feels th had enough. He can blamed for that.

Leading artic

Union leaders in move to draft Mr Foot as caretaker leader

By Paul Routledge

The reactions of trade union leaders to Mr Callaghan's retirement last night mirrored the split that divided the Labour Party conference earlier this month. But a clear move to draft Mr Michael Foot as a caretaker leader emerged.

Mr David Basset, leader of the General and Municipal Workers and chairman of Trade Unions for Labour Victory, urged Mr Foot to take over until an election could be held under the extended franchise narrowly approved by the conference.

"The Parliamentary Labour Party should now respond to what happened at conference and respect the decisions of conference," he said. "We will support anyone who is elected as leader for the election," he said. Support for this line came from Mr Clive Jenkins, general secretary of the Association of Scientific, Technical and Managerial Staffs.

"Mr Foot is widely respected in the party and would clearly be a figure acceptable to everybody," he said.

Mr Frank Chapple, the election leader, expressed

gratitude that Mr Callaghan had decided not to stand again. "Those who were calling on him to do so are those who are largely responsible for bringing his government down."

The decision to stand down was "statesmanlike," he added. "Moderates now need to rally behind the Healey candidature. We want to launch ourselves forward for Healey for the leader."

Mr Sidney Weighell, general secretary of the National Union of Railmen, also threw his weight behind the "choose now" campaign. "I think the PLP should now take upon itself the full responsibility for electing the leader. There is no certainty of any agreement next January."

That is a reference to the special conference on January 24 called to implement the Blackpool decision, at which the franchise for electing the party leader should be widened beyond the PLP to include the unions and the constituency parties.

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City councils' association steps up opposition to block grant proposal

By Christopher Warman

Local Government Correspondent

The Association of Metropolitan Authorities moved closer yesterday to outright defiance of the Government over its proposals for local finance when ministers met the leaders of the local authority associations at the Consultative Council for Local Government Finance.

All the associations are opposed to the introduction of the block grant system, which has just passed through the House of Lords committee stage, but the Metropolitan Association, representing London and the Greater London Council, believes it has the most to lose.

The association is already angry about the deal arranged between Mr Michael Heseltine, Secretary of State for the Environment, and leaders of the Association of County

Councils, which ensured the practical elimination of the Labour-controlled metro-

politan association told Mr Heseltine at the meeting: "Local government has co-operated with central govern-

ment for years but we cannot guarantee to deliver all the time if government keeps on increasing the demands for

reductions."

Both the Association of County Councils and Association of District Councils joined the Metropolitan Association in criticising the options presented for the grant distribution.

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Youth charity sends back £1,500 grant

By Pat Healy

Social Services Correspondent

A charity has returned a £1,500 grant cheque to the Home Office in protest at the "unhelpful and insensitive way" it has been treated.

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OVERSEAS President Giscard opens talks in Peking

From Laurent Chenard
of Agence France-Presse
Peking, Oct 15

President Valéry Giscard d'Estaing of France arrived here this afternoon for a week-long official visit and was officially welcomed later by Mr Zhao Ziyang, the Chinese Prime Minister, at the Great Hall of the People.

At the residence for state visitors Mr Giscard d'Estaing was greeted by Chou En-lai's widow, Mrs Deng Yingchao, Vice-President of the People's Congress and Politburo member, who headed China's first parliamentary delegation to France and the West last June.

The first discussions between the Chinese and French leaders began as night fell with the President was M Jean François-Poncet, his Foreign Minister. Those accompanying Mr Zhao included Mr Huang Hua, Deputy Prime Minister and Foreign Minister, and Mr Han Kehua, the Deputy Foreign Minister.

At a banquet tonight, President Giscard d'Estaing told the Chinese leaders that Europe and China should strive for a balanced "multipolar" system to prevent the risk of confrontation between world power blocs.

"I believe profoundly that the self-assertion of Europe, together with that of China... contribute to our basic goal, which is peace — a just peace arising from the equilibrium of a multipolar world thereby escaping confrontations."

Mr Giscard d'Estaing spoke



Mr Zhao Ziyang, the Chinese Prime Minister, greeting President Giscard in Peking.

Australian election result likely to be the closest for 19 years

From Douglas Ashton
Melbourne, Oct 15

The latest opinion polls indicate that Saturday's general election in Australia will be the closest since 1961, when Sir Robert Menzies won by one seat.

After Labour's early and spectacular lead in the polls, it was expected that there would be a swing, and the Government would have taken this has not been the case.

A Gallup poll published this afternoon in the Melbourne Herald said that, after the distribution of preferences, the Government would have taken 43 per cent of the vote and the Labour Party 48 per cent, if the election had been held last weekend.

Translated into seats, this would give Labour a majority in the House of Representatives of about three seats. It would represent a swing of between 6 and 7 per cent. Labour needs a swing of 6.1 per cent to win.

This poll comes in the wake of one published in The Age in Melbourne this morning, which said that an election last weekend would have given the Government 40.8 per cent and Labour 49.6 per cent. Another,

published in the weekly magazine the Bulletin, said that, if the election had been held on October 4, the Government would have taken 43 per cent and Labour 49 per cent.

With barely three days to go, Labour has to be considered firm favourite to win the election. The polls would have to be as far out as the British polls of 1970 for them to lose. It is just as likely that the third party, the Australian Democrats, will gain control of the Senate.

Mr Malcolm Fraser, the Prime Minister, is still outwardly confident of winning, basing his optimism on the Liberal-National Party coalition's strength in rural seats and the possibility of a last-minute swing back to the Government in enough marginal urban seats to counteract the big swing to Labour in the cities. Mr Fraser said of the polls in Sydney today: "A good deal has happened since they were taken. I believe I will win."

Mr William Hayden, the Opposition leader, is still emphasizing that the result will be close.

"I believe we will win with

a tight majority," he said today. "And we will go to bed on Saturday night with the count continuing, and uncertain as to the outcome. We have got to keep working at it. There are still a few more days to go, and I believe it is one of those elections where every day is going to be crucial."

Leading Government figures are still shocked at the way the polls have gone.

A multitude of interpretations are now being given, the most popular of which are: Mr Fraser is a much less popular figure than expected; the absence of Mr Gough Whitlam, the former Labour Prime Minister, has had an enormous impact in winning votes; for Labour, Mr Hayden has proved himself to be of more substance than anyone believed; the continuing unemployment figures have upset more people than expected; Mr Fraser's only real achievement has been the lessening of the inflation rate, and even that is not as impressive as it seems when it is taken into account that Australia is far less affected by the rising cost of imported oil than most countries.

Sri Lanka hearing opens

From Our Correspondent
Colombo, Oct 15

Mr K. N. Choksy, counsel for the Sri Lanka Special Presidential Commission today repudiated allegations that it had failed in its treatment of Mrs Sirimavo Bandaranaike, the former Prime Minister.

He was addressing the Supreme Court which began hearing applications by Mrs Bandaranaike and Mr Felix Dias Bandaranaike, her nephew, who are seeking writs of certiorari quashing the commission's findings against them and its recommendation that they should be deprived of civic rights.

Mr Choksy appeared for the commission to oppose the application filed by Mr Bandaranaike. Mr Siva Pasupathi, Attorney General, appeared for the commission in the application filed by Mrs Bandaranaike, and Mr H. L. De Silva who appeared for both Mrs Bandaranaike and Mr Bandaranaike, were allowed until October 31 to file affidavits. But both of them had set for November 10.

World View

by Arrigo Levi

Where West exposes a vulnerable lung

Jiddah

"The West breathes with one of its lungs, oil, outside its body; that is awkward." This is Mr Abba Eban's definition, and a very marked understatement. The West lost its political control over the Middle East after 1955, at the very dawn of the oil age, which is going to last at least until the end of the century: that historical coincidence was also awkward.

The most optimistic among the experts tell us that Western oil will not relax its stranglehold upon our economies "before the mid-nineties" at the earliest. "After that," one expert tells me, "the closure of the Hormuz Straits would have the negative impact on transportation, but not on our industrial economy."

Lack of monetary limitations

Until then, the Western economy will not just depend on a number of foreign powers, but on a group of states which is a very typical case of underdevelopment, characterised by the availability of almost unlimited sums of money for modernisation. This helps to produce a very peculiar kind of political instability: hence the present great fear of the West about the Middle East.

The lack of monetary limitations, which has been a certain kind of "bad development" to go ahead unchecked for a long time, until something gave: that was the case with Iran. Now, the rulers of Saudi Arabia and the rich states of the Gulf are quite aware of this danger. Still, the inevitable modernisation always risks falling between two stools, displacing both the religious, traditional right, and the radical, revolutionary left.

The rulers have to steer an uncharted course between a little and too much economic progress, too little and too much political and cultural innovation. Many experts do not grant these ancient régimes too many chances of survival, but their process of modernisation, without falling into some revolutionary trap, neither a fundamentalist Islamic regime, nor a radical revolutionary power in control of any of these key oil-producing countries, would be a miracle. The West's happy "extra-corporate" lung can fall into very unfriendly hands.

Also, the Soviet Union is so near, and the United States so distant, and there are so many ideological, ideological, ideological and conflicts between these small and medium-sized

nations. No wonder that the result of all that is a very dark and threatening picture. This may be the most serious problem for the West since the Cold War.

There is no simple answer to this problem, as in the case of Europe a generation ago. The Nato-EcC recipe does not apply to the Middle East. There is still a wide void, a wide void of interest between the moderate rulers of the Gulf and the West: modern capitalism is much less of a threat to their identity and independence than communism. But traditional ties of economic, political, and military cooperation with the West are weakened by a variety of factors. One is the apparent decline of American and Western political will and military power in recent years. Another is the identification of America with Israel.

The traditional Arab rulers have to face two domestic challenges and feel too weak to be able to provide their public opinion by appearing to be so openly pro-American, that is to say pro-Israel.

The Egyptian-Israeli treaty has created an area of peace around Palestine, but has also removed Egypt, the foremost Arab power, from its role as ally and supporter of Saudi Arabia, just as it has weakened Saudi ties with America. The Saudis warn you that they may find it unavoidable to use the "weapon of oil" against America, if such a step were to be decided by the Arab League and the Islamic Conference, as a protest against American protection of Mr Begin's "creeping annexation" of the West Bank.

Palestinians hold key to future

Whatever chances there are of safeguarding our "extra-corporate" lung, and helping the oil states achieve a successful modernisation, will be almost non-existent if the present neutralisation of American (and Egyptian) power and presence were to continue for long.

"The Arab-Israeli conflict has lost some of its currency, but has lost its importance. Local tensions call for a great effort to solve it as soon as possible so as to free regional, national and international energies to face the new challenges confronting a deeply wounded world." This is a recent statement by Mr Shimon Peres, and it is the truth. The Palestinians hold the key, not just to Israel's future of peace, but to the strengthening of vital ties between the west and the Gulf.

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Hundreds held under new Gandhi law

From Trevor Fishlock
Delhi, Oct 15

More than 700 people are being held in India under the new regulations introduced three weeks ago which provide for detention without trial.

They are said by the authorities to be hardened criminals, people who have been involved in terrorism and who are called "anti-social elements."

In the northern state of Uttar Pradesh, where one-sixth of India's people live and where there has been serious rioting and bloodshed in recent months, 700 people have been arrested under the new regulations.

In Delhi, the police have drawn up a list of 15 candidates for detention and 10 have been arrested so far.

Publication of the Preventive Detention Ordinance on September 22 caused an outcry in India. To some people it was a return to the Emergency of 1975. An important difference in the new ordinance is that judges are involved in the administration of it. (The courts had no part to play in the detention system of the emergency.) Although an arrested person can be detained for a period without trial, the grounds for his arrest must be supplied to him within five to 10 days of his being held, and detention can continue only if a board of judges agrees.

The Government says the new measure is necessary "to deal with habitual criminals and those creating enmity between different groups" in the country. It is defended by saying the ordinance was promulgated against a background of communal disharmony, caste conflict and social tensions.

Although "preventive" detention is provided for in the Indian Constitution, critics of the new measure argue that it is not necessary to introduce it now because there is a more than adequate array of laws to deal with criminals, black market operators and hoarders.

But Mrs Gandhi's Government has been criticised for failure to take enough action at a time when prices are rising, sugar (so important to Indians) is becoming too costly for many of them to buy, and there has been violence and disruption in the northern and northeastern India.

The Government's critics view the introduction of preventive detention as evidence that the Government is short of ideas and covering its own backs with a show of toughness which has little bearing on the country's real problems.

In Bombay, and some other parts of the Maharashtra State today there was a strike in protest against rising prices and the introduction of the preventive detention measure.

These thousands of people were held by the police (though not under the new ordinance) to prevent them taking part in the demonstration.

Leading article, page 13

PARLIAMENT, October 15, 1

Move to limit right complaint about television films fails

House of Lords

Complaints to the Broadcasting Complaints Commission should be limited to individuals only, Lord Hopes (L) said when he moved an amendment to the Broadcasting Bill. The purpose of his amendment, he said, was to allow individuals and only individuals to initiate what would be the expensive and time-consuming process of a BBC investigation.

Individuals deserved the right because they were most affected by unethical broadcasting practices. Two could not afford the crippling cost of bringing a libel action.

Corporations could generally look after themselves by having a right to protest and resources to sue.

He wished to delete a clause giving the right to complain to representatives of the dead, even the long dead. Would descendants of Oliver Cromwell and Charles I have the right to complain? Lord Strabolgh (Lab) wanted to remove the right to complain to the heirs of the dead and to bring the clause into line with the present law on defamation.

Lord Goodman (Lab) said this was a matter of great constitutional importance. When they were threatening to tamper with one of the pillars of life in this country—the right to say what they wished, when they wished, subject to the limitations of the law.

In his experience as a lawyer he had seen with his own eyes many years and found the most savage libels of the dead had been perpetrated by relatives. It was important to remember this when deciding to bestow this remedy and deciding who it was entitled to make these complaints.

They had not thought out the question of this commission enough, although it was inspired by the noblest and most considerate motives. The House should consider whether this piece of legislation, which was so ill-considered, was worth the cost of the Bill, but this appeared to be one section that needed careful revision and thought.

Lord Ridsdale, for the Opposition, said it was right to discourage people from telling defamatory lies about the dead. But the law was not perfect as it stood. They could not prevent any malign or malicious person from publishing libels upon a possibly distinguished man who had just died. This was a serious flaw and fault in the law.

Television, he recalled, once wider than even the most widely-read newspaper and there was a need for a serious body to be set up which would be able to make a judgment on the issues. This proposed discipline would be healthy, and helpful to public life.

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Seoul denounces N Korean reunification proposals

From Jacqueline Reditt
Seoul, Oct 15

South Korea today denounced unification proposals, made by President Kim Il Sung of North Korea at the recent Workers' Party congress in Pyongyang, as a propaganda trick.

Mr Lee Dong Bok, spokesman for the Seoul side of the North-South coordinating committee, said that President Kim's proposal for a unified Korea under the name of the "Korean Democratic Federal Republic" was in reality an "anti-peace ruse to sow the seeds of another fratricidal war and violent revolution."

The hostile tone of the statement was set by the opening words, which claimed that the North Korean communists had introduced, through the Workers' Party congress, an anachronistic feudal monarchy by installing President Kim's son, Mr Kim Chong Il, as their apparent.

Mr Lee pointed out that eight years ago, and again recently, the North Korean communists had been solely responsible for breaking off discussions and disconnecting the hot-line telephone link between Seoul and Pyongyang. They had simply discarded past agreements made between the two Koreas.

The statement—in which President Kim Il Sung was never

mentioned by name but referred to as "the highest authority in Pyongyang"—said that he had listed a number of prerequisites for unification. These included overthrowing the present South Korean Government by force and replacing it with a pro-communist regime; repealing South Korea's anti-communist and national security laws; releasing imprisoned dissidents; the signing of a peace treaty between the United States and North Korea and the withdrawal of United States troops from the Korean peninsula.

Mr Lee said his Government considered these conditions preposterous and tantamount to self-destruction of South Korea. He added that the North Koreans used the Korean word meaning "federation" to win the support of the Korean people who wanted total reunification of the divided country.

Mr Lee laughed at the English word "confederation" in their overseas propaganda to give the outside world the impression that they were realistic and prepared to compromise.

Mr Lee laughed at a suggestion that this could be an unintentional linguistic ambiguity and insisted that it was a policy of deliberate confusion.

He emphasized, the Seoul Government was keen to resume a North-South dialogue

Ugandan troops recapture area overrun by exiles

From Charles Harrison
Nairobi, Oct 15

The crisis caused by attacks into north-west Uganda by Ugandan soldiers who fled last year into Zaire and Sudan is virtually over. Uganda Government forces, supported by some of the 10,000 Tanzanian troops who have remained in Uganda since ousting President Ydi Amin last year, are moving back into the areas from which they fled last week.

There are reports of reprisals against civilians in the area who are accused of supporting the attackers, many of whom were members of the same Kakwa, Madi and Lugbara tribes. Members of these tribes in other parts of Uganda have also been attacked by civilians or Ugandan troops.

In a broadcast from Kampala last night, Mr P. M. Nsububa, the chairman of the ruling Military Commission, said that the situation was again under control and there was no cause for alarm. He accused the rebels of collaborating with dissident exiles, and alleged that the attacks had been timed carefully to upset the preparations for the first parliamentary election since 1962.

The Government-owned Uganda Times, in a leading article today, called for tougher measures to what it called "the

remnants of Amin's bandits and their collaborators."

It added that former members of Field Marshal Amin's State Research Bureau had remained in the north, moving freely between Uganda and Zaire and Sudan.

Uganda last week sent protest Notes to Zaire and Sudan, accusing them of allowing the attacks to be mounted against Uganda. But both countries have denied knowledge of any attacks.

Although the attacks were made by former members of his Army, Field Marshal Amin is not thought to have been involved. He is understood to be living quietly in Saudi Arabia.

But some of his former officers have issued warnings that the thousands of Ugandans in exile will not return to Uganda. Some of those who have returned from Sudan and Zaire have been arrested and held for months without trial in overcrowded jails.

Restoration of voters for the election, which was due to end today, has been extended for another week. It has become clear that registration could not be completed in the 10-day period originally proposed and this is raising fears that the election date of December 10 may also be postponed.

Zimbabwe set to export unexpected maize crop surplus

From Nicholas Ashford
Salisbury, Oct 15

Zimbabwe has abandoned politically embarrassing plans to import large quantities of South African maize to compensate for an expected shortfall in its own staple crop. Instead, the country now expects to produce a sizable surplus next year for export to neighbouring black states, enabling them to reduce their dependence on South African supplies.

This remarkable reversal in Zimbabwe's food supply prospects was revealed by Senator Denis Norman, the Minister of Agriculture, in an interview with The Times. Mr Norman said Zimbabwe had made contingency plans earlier this year to buy up to 200,000 tonnes of South African maize, costing around £100 a tonne, in order to meet Zimbabwe's requirements. As it turned out, however, no more than 25,000 tonnes were needed because Zimbabwe's own harvest this year

was 100,000 tonnes higher than forecast.

Zimbabwe used to be a major maize exporting nation, selling up to 500,000 tonnes a year to neighbouring states, despite sanctions. Production has fallen dramatically during the past two years partly because of a prolonged drought but also owing to a big reduction in the acreage planted due to low prices paid to commercial farmers.

One of the first actions taken by Mr Norman after taking office was to persuade the new Government to raise the price paid to producers by a quarter to about £80 a tonne. The effect of this has been a big increase in the acreage being planted for next season's crop. Mr Norman believes that if there are good rains this year there could be a maize surplus of between 300,000 and 500,000—although other farming sources believe this is over-optimistic.

The significance of the

improvement in Zimbabwe's food supply prospects is that it shows that the Government of Mr Robert Mugabe has recognized the need to maintain a commercial agricultural sector. Since he took office Mr Mugabe has gone out of his way to reassure the country's 5,500 white commercial farmers about their future in Zimbabwe.

He did so, not just because he wanted to prevent Zimbabwe becoming an importer of foodstuffs or having to rely on aid handouts, but also because the agricultural sector is the largest employer in the country. For example, he realized that the ability to supply food to Zimbabwe's neighbours would provide him with a powerful voice in negotiations on regional co-operation and move to reduce the dependence of black southern African nations on South Africa.

However, welcome the improvement in the maize supply situation may be, the Government has still to decide where

the money to pay for the higher maize prices will come from. If it passes the cost on to consumers it risks running into stiff opposition from its black supporters, who are already complaining that the Government is doing too much for whites and not enough for blacks. But if it decides to increase the subsidy on maize it will put additional strain on an already large budget deficit.

The prospects for the tobacco industry, one of the biggest earners of foreign exchange, have also improved since the Government increased to prevent low prices forcing numbers of tobacco farmers out of business. Prices have increased by one third during the past two months after it was announced that the production quota for next year was going to be almost 40 per cent lower than the present level.

Two problem areas remain: beef and wheat. Beef supplies are so short that a form of rationing has been introduced

and Mr Norman said he did not expect supplies to return to normal until at least February next year. The beef shortage has been caused largely by the depletion of the national herd through disease and theft, during the independence war. It will take several years to restore it to its former size.

Wheat imports may also be necessary towards the end of next year because there has been a fall in wheat production coupled with a big increase in the consumption of bread since the end of the war.

Mr Norman said that the white farmers' main concern at present was the growing absence of law and order in some areas of the country.

However, he was confident that almost all of them would stay in the country until the next season's crops had been harvested. After that they will reassess the situation before going ahead with the next planting.

Mr Tekere to be defended by British QC

From Our Own Correspondent
Salisbury, Oct 15

Mr Louis Blom-Cooper, QC, was today given leave to appear in the High Court of Zimbabwe for Mr Edgar Tekere, Minister of Manpower Planning and Secretary-General of the ruling Zim (PF) party, who is charged with the murder of a white farmer.

The trial, which was postponed last month, is due to start on November 3. Mr Tekere's legal team has said to decide whether to continue an application for the withdrawal of the Judge, Mr Justice John Pym.

If the application is considered to be well-founded, the case may proceed under another judge. Mr Tekere's defence team has indicated that it may object to the case being heard by a white Zimbabwean judge, a member of the judiciary before independence.

Late sitting

Yesterday's strong sun kept the House of Commons late, although the debate on the Local Government and Land (No 2) Bill was continuing later.

Lord Ridsdale, for the Opposition, said it was right to discourage people from telling defamatory lies about the dead. But the law was not perfect as it stood. They could not prevent any malign or malicious person from publishing libels upon a possibly distinguished man who had just died. This was a serious flaw and fault in the law.

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Prudence Glynn

Fourteen years, and positively no regrets

Confronted the other day by a heckle to the effect that I had "wasted 14 years by writing only about hideous clothes costing ludicrous money for silly women to wear at silly occasions" I naturally took this as a great compliment. It should be explained that I always take everything as a great compliment, unless it is a downright insult audible to the naked ear at 500 paces because it does make life so much more easy and pleasant.

I therefore was flattered to find that my heckler thought my time too valuable to waste, paused only to reflect that he almost certainly had never read my page, since especially in the final phrase there are some who felt that I have been most remiss in that I seldom get around to telling them exactly what to wear anywhere, I duly went home on the last train, which is the lot of inexpensive after-dinner speakers, and fell into an untroubled sleep.

However, to the conscientious writer even compliments should be analysed and so next morning I picked up the paper and, instead of starting in the middle as usual, I began at the beginning to see if I might have spent my 14 years more worthily had Destiny so placed me.

We may forget the front page. Punctuality is not one of my vices and while competitors were jamming down their fedora hats and elbowing one another out of the only unadorned telephone kiosk for 30 miles, and shouting "Hold it" or whatever, I should still have been trundling gamely about on the Southern Region making notes on the misuse of derelict land, or the incursion of the urban fox to Clapham Junction. Much the same would go for page two, which is largely continuations of page one which I should not have got to in the first place.

Home news? I am far too inaccurate, emotional and biased. The discovery that Britain had lost yet another contract overseas by sheer incompetence would make my blood pressure soar and anyway I would want to write lots about this man who abducted a PC (how? why?).

Family life would preclude West Europe and Overseas—a neat distinction of which I approve since I am an EEC aficionado—and the only way to do that job presumably is to live there. In any case, my waistline has suffered quite enough from the enchanting food of the Continent and points Far East, Far West and Moren Nord.

Politics is a slow death by cliché and I cannot pronounce, let alone spell all those odd names which sound, as Saki said, like someone trying to suppress a sneeze in church.

I was, of course, in at the birth of the Women's Page in 1966. Goodness, how we battered our poor unsuspecting readers with such facts as that scraps of papyrus revealed that Salome had painful periods. I should have known then that my heart was not cast for Women's Pages; as a matter of fact I am of the belief that Salome was a boy, as were Queen Elizabeth and Joan of Arc, which explains a lot. Had I edited the sexist features, I would have to have given my views on such things as female circumcision and the women's liberation movement. On the first, my views are that the practice is so disgusting, barbaric and unjustifiable by any creed, medical,

religious or moral that when I am Prime Minister I shall sever diplomatic ties with any nation found to condone it. (Mind you, when I am Prime Minister there are going to be a lot of countries with which for various reasons I am going to sever diplomatic ties, so now would be a good time for those of independent mind to stop faddling about with the party of the rump centre and get going on the Little England number.)

As for the women's lib lot, they have done more damage to literary reputations and the credibility of women in public life, than the lack of desire among women in general to be associated with so aesthetically unpleasing and silly a bunch as hardly be imagined. I have always regarded Freud as the greatest enemy we confront, giving us two complexes for every one he sought to solve. The fact is that women are now more than equal with men and the other plain fact is that there will be more successful women when they stop being parasites who play and start being workers who sacrifice.

On the surface the arts pages look more promising, but only on the surface. I loathe physical violence and am terribly bored by pornography, so at the cinema I should have spent half my time under the seat and the other half asleep.

The opera is divine, just as long as it is not *Pelléas et Mélisande*, but I do have a fatal tendency to laugh in the wrong places (every time Parsifal turned amidst what looked like a forest created from an Allied Carpenter's day a shower of arrows fell out of his quiver and when his fine Teutonic bomb was shown to the audience it proved to be clad in Y-fronts which had not seen the light of Persil). When not laughing I am bursting into tears and wrecking my mascara, so the opera is out.

Works of art? No. I should have to give my views on such things as piles of bricks and my views would be that they should be hurled singly through the windows of the perpetrator, thus supplying tension release and some useful employment for vandals, or on the purchase of pictures of such disgusting subjects as *Samson and Delilah*—where is women's lib?—one of the most disgraceful and revolting of all stories. I have told the children that it is purely allegorical.

There are far too many books written, and anyway civilized people only need to read Dorothy Parker or Gibbon on a regular basis. In music I only like power play, when you can calculate how soon before he falls off the end of the stool at this speed, ballet again is speed—at what miles per hour does Dame Margot get tossed?

I prefer Bjorn Borg from the back view (lovely little waist and neat shoulders and flanks, aha), equestrianism is muddy, show jumping a circus farce, football violent again, even if they do sing "Land of My Fathers" before going on to the head.

Those who cook by the light of nature never read any recipes except those of Escoffier and certainly could never put down on paper just what it was that fell into the sauce at the last moment, quite possibly nicked in by the cat, and which gave it that incandescent quality.

Gardening columns must be stopped at once. They turn the most gentle and pacific men in the Gestoap beasts who dash about exterminating hares and pretty plants by frightful means.

"Daddy, you are a sadist," (sic), remarked a loving son as the poppies were murdered.

Nature Notes is equally out because who can match such prose as feather-footed through the marshy fen passes the questring vole? without getting sent to somewhere uncomfortable and inexplicable.

Travel correspondent might have worked out since I have just received an anonymous letter suggesting that since I thought Deauville so wonderful it was a great pity I had not stayed there. I naturally took this remark as a great compliment again.

A glowing tribute to my powers of descriptive writing and anyone who detects a hint of malice in such a suggestion should remember that it will have been written by the aunt of the town clerk of Brighton, who is only doing her duty, or the aunt of the town clerk of Deauville who does not wish to seem too obvious in his offers of limitless hospitality.

The Court page could seem a natural bolt hole for an English gentleman, but the snag is that it tends to be patronized by other English gentlemen as well as fearful aristocrats and bores.

When a familiar name popped up there might be temptation to leave them out of the lists of those attending memorial services when you knew quite well that there was a mutual loathing between the quick and the dead and there would certainly be a moral obligation to ring up persons announcing an unsuitable matrimonial match and say, "Don't".

The eye falls at the top of the page and the pastures of religion. Alas, as a high lapsed Anglican I cannot tell a schism from the Reformation (incidentally, did you know that the Duke of Norfolk's family was responsible for the Reformation. It seems most unlikely, but His Grace so assured me the other day, all something to do with Anne Boleyn, it seems, who was a Howard. Well, well) I am pleased with the Pope though because he has come out with some good sense about sex in marriage. I have always thought the words conjugal rights the most disgusting phrase in the law.

The business section might have been fun, except that I cannot add beyond knowing how many beans make five and it is a bit gloomy with every-going bankrupt; but I love interviewing rich, powerful men with huge cars, especially if they are nasty.

I cannot do the crossword, let alone set it. It is when a trusted colleague, chapone of countless miles suddenly suggests that you might like to fly upside down that you realize that being the Fashion Editor has advantages over being the air correspondent. In the former capacity one is perfectly entitled to say "No", never mind the slipped chance of a paper to the Design Council on reliability of seat harness. In the latter one might feel duty bound for air sickness or falling out over Sussex.

And so, you see we get back to the middle page, and I would love to have had a shot at the fourth leader. Since we have not had one since I joined the paper I end with the unfashionable admission that I have been blissfully happy, totally fulfilled greatly privileged and had a simply whacky time writing "only" about dress.

So don't cry for me, Great Portland Street. The truth is I could never leave you.

This is the first of a regular weekly column by Prudence Glynn.

A brisket worth its salt

The Times Cook



Shona Crawford Poole

In the winter of 1677 Samuel Pepys, Secretary of the Admiralty Commission, established new victualling allowances for the Navy. For 6d a day in harbour, 7d a day at sea and 8d a day at sea, the victualling contractors were to provide a daily ration to every seaman of a gallon of beer, a pound of biscuit and two pounds of English salted beef, or of bacon and pork, on four days a week. On the other three, cod, haddock (salt cod) or Poor John (salt hake), two ounces of butter and four of Suffolk cheese were the fare below decks.

Suffolk cheese, like its counterpart from Essex, was hard, strong tasting, and never enjoyed wide acclaim except for its cheapness.

In ships sailing south of latitude 49N an alternative diet was prescribed. Flour, rusks, raisins, currants, olive oil, pickled snail, stockfish (dried cod) and rice were washed down with a quart of wine or half a pint of brandy. Rum came later.

As Pepys noted at the time: "Englishmen, and more especially seamen, love their bellies above everything else, and

therefore it must always be remembered in the management of the victualling, of the Navy that to make any abatement from them in the quantity or agreeableness of the victuals is to discourage and provoke them in the most dangerous point, and will sooner render them disgusted with the King's service than any other hardship that can be put upon them."

That heavily salted beef, stored for months in wooden casks, can scarcely have been a treat any more than its successor in the sustenance of British fighting men, canned corned beef.

The version of salt beef consistently spoken of is the Jewish one and the reasons for its good reputations are not difficult to work out. It is lightly salted and lightly spiced. But more important is the cut of beef chosen, which should be brisket. This coarsely grained meat is layered with fat and is transformed by careful preparation into a succulent delicacy. The fat is absolutely necessary to the flavour and tenderness of the result, and any excess can be cut off when the beef is served.

The saltpepper specified for the brine can be bought at chemists.

Salt beef
Serves eight to ten
170g (6oz) sea salt
2 teaspoons saltpepper
85g (3oz) demerara sugar
2.5 to 2.7kg (5 to 6lb) boned brisket, hot rolled
1 clove garlic, peeled
1 teaspoon mixed pickling spice
1 teaspoon black peppercorns, crushed
2 bay leaves
Combine the salt, saltpepper and sugar and rub the mixture into

the beef on all sides. Sprinkle the remaining ingredients over the meat. Put the brisket into a large earthenware bowl, or a casserole, and cover the meat with cold water. Stand the container in a cool place, or in the refrigerator, and turn the meat daily for 7 to 10 days. By this time the liquid will appear offputtingly slimy, but as long as it is fresh smelling, all is well.

Take the meat from the brine and wash it well in cold water before rolling and tying it neatly.

Put the beef in a large pan or flameproof casserole and cover it with cold water. Bring slowly to the boil and skim it carefully. Add a large onion, quartered and two bay leaves. Cover the pot and simmer the beef very gently for about 4 hours, or until tender.

Serve it hot in the English fashion with carrots, onions and parsnips added to the pot for the last 40 minutes of cooking time, and dumplings popped in for the last 20 minutes. Plain boiled or mashed potatoes, cooked separately, a jug of the hot stock and a little flavoured mustard complete this traditional meal.

Suet dumplings
Serves six to eight
225g (8oz) self-raising flour



Salt and freshly ground black pepper

110g (4oz) shredded suet

Cold water to mix

Sift the flour, salt and pepper into a bowl, add the suet and mix together with a fork. Stir the mixture with a round-bladed knife, gradually add enough cold water to form a soft dough. Shape the dough into small dumplings, flouring your hands to prevent sticking. Cook them, covered, in simmering stock for 15 to 20 minutes. If the stock is boiling too fast the dumplings will disintegrate, and it is off the boil they will be leached.

Alternatively, serve the hot beef with freshly made potato latkes in the Jewish fashion, or in sandwiches made with thick slices of new rye bread, flecked with caraway seeds.

Potato latkes
Serves four to six
900g (2lb) potatoes, peeled weight
2 large eggs, beaten
4 tablespoons self-raising flour
Salt and freshly ground black pepper

Grate the potatoes very, very finely and drain the pulp in a sieve for about 10 minutes. Combine the potatoes with the eggs, flour and seasonings and mix well to blend.

Fry tablespoons of the mixture in 1.25cm (1 inch) of hot oil for about 5 minutes on each side. The latkes should be a rich brown and crisp on the outside, soft and cooked in the middle. Drain them on kitchen paper and serve very hot.

While hot salt beef is generally sliced rather thickly, cold salt beef should be carved in thin slices. For carving cold the beef is best pressed. Remove any large pieces of fat before placing the meat in a suitable dish or tin and cooling it under weights.

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THE ARTS

The Importance of Being Earnest
Old Vic

Ned Chaillet

Oscar Wilde took extreme premeditated advice and shortened the four acts of *The Importance of Being Earnest* to the three that have regularly confirmed his reputation. A few years ago the Glasgow Cichans Company turned to a cobbled version of his original four acts and with Frank Hauser's production for the Haymarket Theatre in Leicester the four acts appear as if they are here to stay. That they were, explain the slacker with which the Old Vic brought the production to London.

It hardly seems as if anything has been added, and there are only a few moments which would simply disappear by easy trimming, but the heart of the play remains the two young women, Cecily and Gwendolyn, and only there does Mr Hauser's production really shine. Polly Adams and Isabelle Amyes are not absolutely suited to every minute of their coyness by Jack Worthing and Algernon Moncrieff, although both are entirely delightful when they believe they are engaged to the same Ernest and with intensely civil-

ized virgins against each other. Although that scene is beautifully played, the greater glories throughout belong to Miss Adams who is a wonderful with more than a touch of Lady Bracknell on her. She assumes a regal expectation of adoration and when reconciling her brief rift with Cecily she simply raises her arms like a signal at a railroad crossing, opening the gates to friendship with the younger woman.

Only younger is slightly the wrong word, and it creates a minor difficulty in a play where all the young couples regularly reiterate their ages and look nothing like the babes they pronounce themselves to be. There is little wrong with the polished reading of lines and the metropolitan essence of the copping of aphorisms, but their apparent age does tend to make everybody look rather more jaded than clever.

Yet the presence of Marg-areta Scott's imposing Lady Bracknell, while the engagements and genealogical complications are sorted out, brings everyone into their allotted positions with a firm certainty. The elderly Jack of Richard Easton seems entirely well-matched with the superior Miss Adams and David Duxbury-Algeron is convincingly besotted with Miss Amyes. Mr Hauser gets away with his chronological balancing act in the end, but it is distracting.

Season's Greetings
Round House

John Russell Taylor

London theatregoers must often, very often, have wondered what Alan Ayckbourn's plays look like in their original habitat, with the two young women, Cecily and Gwendolyn, and only there does Mr Hauser's production really shine. Polly Adams and Isabelle Amyes are not absolutely suited to every minute of their coyness by Jack Worthing and Algernon Moncrieff, although both are entirely delightful when they believe they are engaged to the same Ernest and with intensely civil-

Now for the first time we have the chance to find out or ourselves—without going to Scarborough, that is. *Season's Greetings*, for which the Round House is used for once as a theatre, comes straight down with its original cast, directed by Ayckbourn.

Technically it is much more straightforward than most of his work, and the three-act play about the horrors of suburban family life in the allegedly festive season. The only slight oddity is one character who is seen, merely, addressed, offstage as she endlessly watches television.

The goings-on at Neville and Belinda's are a happy compen-sation of expected marital mis-

fortunes. Neville takes refuge in his shed with his machines, while Belinda fumes about his uselessness around the house. Partie and Eddie have a similar difficulty compounded by Eddie's total incapacity as a businessman and the imminence of yet another child. Phyllis and Bernard are children, she drinks and he insists on staging his annual puppet show over the objections of all the adults in sight and to the total boredom of the children he believes he understands.

The older folk watch television when Uncle Harvey is out, raving on about guns and knives. And the unmarried sister (38) and worried that she may be behaving like an adolescent brings into all of this a writer who has to cope with illiterate advice from all sides, over-the-hill, and the sort of reaction you might expect from Neville, a man who says with some pride: "Can't tell you the last time I read a book."

And is it as good with just plain folk? Almost certainly: the cast work together admirably as a team, and make the most of the roles Ayckbourn offers them. The play itself is much too long, as well as virtually repeating three characters from *Sisterly Feelings*.



Giorgio Zancanaro and Katia Ricciarelli

Better on the ear than on the eye

Lucia di Lammermoor
Covent Garden

William Mann

A rousing account of the National Anthem reminded Tuesday night's audience that the Royal Opera was about to launch a new season. For the first new production we must wait until mid-December: Donizetti's most celebrated tragic opera was being revived in Zeffirelli's production of 1959, but musically restudied in accordance with the new edition made by Jesus Lopez-Cobos, who also conducts these performances.

Those familiar with the opera could notice some differences of instrumentation, perhaps some beneficial restoration of Donizetti's original keys, the removal of much hollowed but spurious florid decoration (in reprisals some of that, at least, is missed), the opening of some cuts (but not all) including the ensemble in the middle of Lucia's Mad Scene, and the mid-night scene in Ravenswood Castle when Ashton challenges

Edgar to the duel which never takes place in the last scene—both these enhance the work dramatically and musically, and are welcome.

Several times, just lately, we have been told how recourse to original keys will take the title-role away from the soubrette canaries who have too long usurped it, and restore it to the spinto lyric sopranos for whom Donizetti designed it. For most British audiences Lucia di Lammermoor has always been associated with that kind of voice, chiefly represented by Callas and Sutherland: the doll-like Lucy voices of yesteryear (such as Pajuglihi, Pons and Toti dal Monte) can be heard on record, but in their day Lucia was unpopular here, indeed rather denigrated by British arbiters of taste.

Katia Ricciarelli, Covent Garden's latest Lucy, is lovely to look at on stage, musical, and possesses a beautiful voice which will surely grace the part in time to come. On Tuesday the music seemed to lie not quite comfortably in her voice. The runs were skilful, the high notes shrill, with sometimes a suspicion of wobble or shaky intonation. Yet her "Regnava nel silenzio" held attention, the awesome duet with her brother, "Il pallor funesta"

confirmed my belief that it is the opera's best scene (though the now restituted duet for Ashton and Edgar runs it close) and in the Mad Scene there were exquisite and touching passages. This was, after all, her first essay at the role: it needs firmer focus and stronger acting.

As a result the Edgar of José Carreras stole, as they say, the show. He did not bother to act much, but he knows the part well, and sang it superbly. He was a delight in the first duet with Lucy, a magnetic centre to the splendid sextet—the moment when you realize why you will return again and again to this silly story—and triumphantly eloquent in the glorious music of the graveyard finale.

The cast also boasts a cogent villain in Giorgio Zancanaro's Ashton, bright, vibrant and flint-hard of voice, a strong presence and a baritone of great potentiality, as well as Robert Lloyd's splendidly sung Bide-the-Bent (Raimondo) for those more familiar with Cammarano than Walter Scott. Everyone on stage needed the attention of an inspiring producer: Zeffirelli's work was left to Ande Anderson, who can only have been able to block out the moves, though he had also to devise some of his own

for Ravenswood Castle at night. The old sets looked dingy, the lighting as if hit by a power-cut. Visually it was a dismal show: the production, having now come of age, is overdue for retirement.

Merely there was one source of brilliant illumination for this Lucia revival, the conductor. Lopez-Cobos transmitted all his research on the score into practical musicianship of a high, galvanic order, coaxing and exhorting everybody, on both sides of what used to be called the footlights, with ceaseless vigilance and infinite sensibility.

There was never any question that Lucia di Lammermoor is a classic of its kind, so far as concerns Donizetti's music, or indeed Cammarano's Italian verification of Scott, much of which could be heard and apprehended as communicative presence and a baritone of great potentiality, as well as Robert Lloyd's splendidly sung Bide-the-Bent (Raimondo) for those more familiar with Cammarano than Walter Scott. Everyone on stage needed the attention of an inspiring producer: Zeffirelli's work was left to Ande Anderson, who can only have been able to block out the moves, though he had also to devise some of his own

Arts agenda

The plan of the Mayor of Paris, Jacques Chirac, to re-establish his city as the world's artistic capital takes a step forward on Monday with the opening of the Théâtre National de Paris. Housed in the refurbished Châtelet Theatre, next to the Seine, it was originally seen as an opera house challenging the state-run Opera (Chirac leads the Gaullists and is keen to rival the achievements of the government of President Giscard d'Estaing), but the programme for the theatre's first year offers much more than just opera.

It starts with a concert by the Orchestre de Paris under Daniel Barenboim, but the season really gets under way on November 4 with a new production of Offenbach's *La Vie parisienne*—with a double cast, it will run solidly until next February. Having given Parisians their fill of operetta, the theatre has a season of nineteenth-century French opera (complete with a fair number of British singers): Charpentier's *Lucie*, Bizet's *The Pearl Fishers* (with Yvonne Minton and John Brecknock in the leading roles) and Massenet's *Condorillon* (with Anne Howells and Della Wallis).

April brings a season from Roland Petit's Ballet de Marseille, followed by the Festival de France presenting Cavalli's *Orlando Furioso* (with Marilyn Horne) and more Offenbach: *La Grande Duchesse de Gerolstein* with Régine Crespin. In midsummer it will be the turn of British singers, companies—from Hungary, Mexico, Poland and Spain. Interspersed through the season will be concerts by the Orchestre Colonne (the resident orchestra at the theatre) and visiting orchestras and soloists. One event to note next year is a concert performance, on February 15, of Massenet's *Le Cid*, with Plácido Domingo.

Another example of the continuing success of British singers in France came last weekend when, for the first time, a Briton won the first prize at the Toulouse International Song Competition.

The prize, which consisted of both money and a *Sèvres* vase, went to Philip Dugan, a tenor aged 31 who comes from London. He started in the Glyndebourne Opera Chorus but has really made a name for himself in Britain, although he has been singing a good deal in Europe. At Toulouse, he won the Premier Grand Prix for men; no first prize for

women was awarded—a decision which drew furious protests from the audience.

The Arts Council seem to have got itself into a bit of a muddle over its scheme for grants to writers. During the past year the council has tried to discover whether any of the books for which authors received grants would have been written even if the writers had not been given the money. A report on the subject did not come to a clear conclusion, but the council thought there was a strong likelihood that the books would have been written anyway. Nevertheless the council's literature advisory panel decided, though by no means unanimously, that it should continue to offer the grants. The council's annual report notes that the allocation for grants to writers in 1979-80 was £120,000, but, unusually for the Arts Council, this allocation was seriously underspent: less than half of the money, £59,650, was actually given out to authors. In its report the council said there was a growing body of opinion which thought it should make fewer such grants, using the money instead to stimulate book sales and help establish new bookshops.

If the literature department has at least had success elsewhere: the council's poetry library, after its first full year in new premises at Covent Garden, has trebled its membership, and the council's volumes, the council says it is the finest collection of modern poetry in the country.

Atkinson's of Peter Nichols, whose comedy *Born in the Gardens* ends its West End run on Saturday, should have long to wait for a new play: he now has two more on the way and is about to start on a third, a musical play about the invention of a machine gun—another comedy.

Mr Michael Tippett's seventy-fifth birthday celebrations continue with the news of the first recording of his opera *King Priam*, to be made by Decca. One by-product is a concert performance of the work at the Festival Hall on November 21, with the London Sinfonietta conducted by David Atherton and a cast including Heather Harper, Yvonne Minton, Robert Tear and Norman Bailey.

Martin Huckerby

Arabella in its proper time and place

Time is not exactly hanging on the hands of Jonathan Miller and Mark Elder this autumn. Miller has been rehearsing Verdi's *Falstaff* in the mornings for Kent Opera, and Strauss's *Arabella* for the English National Opera in the evenings, and dropping in to see BBC in the evenings to see his series of Shakespeare productions, due to start transmission on Thursday, is coming long. Even Dr Miller admits that the scheduling is a bit tight. Elder, in director's chair as 1980's music director, is the conductor of *Arabella*—which opens at the Coliseum tonight and next summer he goes to Bayreuth to take charge of the *Bayreuther Festspiele* there.

Elder and Miller, who are working for the first time together, although they have long been partners in two nineteenth-century Italian operas at the Coliseum in due course, reckon that *Arabella*, in English, before Covent Garden had planned to do it in translation under Solti in the mid-Sixties with George London as Mandryka; but the strains dropped out and there was no *Arabella* in English. Dieterich Fischer-Dieskau, who replaced Solti, was going to perform there in the original language.

At one point the Coliseum even gave up on loan over *Arabella* production, at the cost of adding it to its repertoire was not far short of giving a new one. And this was what was decided, not least because Jonathan Miller was as keen as anyone on working, really and metaphorically, in crowded clothes. The much-used idea of switching projection between Bow Street and Martin's Lane has not been doing a good deal of progress lately. During their early conversations Miller and Elder considered updating the work, which is set in the Vienna of 1860s and was composed in a late 1820s. Elder reckons it is musically it is very much a piece of the time, being a Thirties opera, Strauss was not specially interested in jazz, but the harmonic progressions are almost those of a Gershwin. Indeed, harmonic language is much more convoluted than that of *Rosenkavalier*, and when it began to study the score it was a bit like watching a Western in the cinema when it was you a quarter of an hour adjust to the idiom and take out what everyone is saying. And yet in comparison to the early operas, or *Franz Schatzner*, Strauss's orchestration is very restrained, most Puccini in the forces, pure. He doesn't, for example, call for percussion from timpani.



Mark Elder (left) and Jonathan Miller

chose the period of their opera very carefully. They knew, for instance, that they were working under the shadow of *Der Rosenkavalier*, and that it was important to get a century away from the Marchalls. So they were dealing with something without living memory: this was the Vienna of their grandparents.

"Hofmannsthal never casts judgment on the characters he has created. Here are the 'improbable' Waldners in a Vienna hotel with their two daughters whom they must marry off. It is important to know that they live in a specific and grandly vulgar and their seediness comes only in their pretensions. Through the rehearsal I've been thinking of Chekhov who also always withholds judgment; he puts his men and women on stage and lets the audience decide whether they are funny or pathetic."

The first act of *Arabella* is generally reckoned to be flawless, but the middle act set at the annual Coachmen's Ball, with a long display aria for the Coachmen's bells of the year, is Mark Elder among them. "It can't be denied that Act II is a masterpiece of consistent excellence, of that first act indeed, following the practice in many German houses, we've cut a certain amount including the exchanges between

the Fickermilli and Arabella's sister, Mandryka. But I certainly don't despise the Fickermilli, she's a fun girl, a Viennese Barbara Windsor, a piece of Turkish Delight, whose stock-in-trade is vocal acrobatics. So we see her as a kind

of high-wire act."

And so to Arabella herself, who waits in Vienna for *Der Ritz*, Mr Right, to come and carry her off. She finds him in Mandryka, almost loses him, and then in the last act takes that glass of water, which symbolizes their union and a future life together on his Slovenian estates. Whether she goes off to happiness or to be a second Emma Bovary is an open question.

Jonathan Miller: "The key to Arabella is that she is on the brink of life. She begins as a girl who has strange fantasies about the redeeming hero who will come and rescue her from the mundane life she leads; she longs for passion of a high and sublimated sort. Yet there's something of the life force in her, just as the Waldners perhaps unconsciously look to Mandryka to revive their fading stock. The aristocracy was beginning to fail and there is a longing to sustain the old values. The hands of her future husband might be one day do it: they are an unknown domain to her, rather like that of Alain-Fournier's *Le Grand Meauland*."

"Mandryka does not understand the kromes and manners of Viennese society, but he has the courtesy of the squire. At one point he apologizes for being half a peasant: if he were, then he wouldn't be apologizing. He's in many ways like the type of Scottish peer who always introduces himself as a crofter."

Miller and Elder give the impression of working well together and Miller adds that this producer-conductor relationship is a kind of gothic arch with both sides leaning together and supporting each other. Elder quickly replies that the producer is the taller of the two and maybe that gives him an advantage.

John Higgins

Amsterdam Nonet
Queen Elizabeth Hall

Hilary Finch

The only patch of real serenity in Jan Koeiser's 1976 *Rondo Sereno*, dedicated to the Amsterdam Nonet, who played it on Tuesday, the first tentative appearance of the main motive of the gently waltz-like rondo theme and its fanciful echo at the end. It bounces in and out of varied and fluently inventive intervening episodes, plain and relentlessly enough to give the ears an easy 12 minutes of it. With some jolly

wind benter, a smooth parlour piece for cello and a nicely placed horn solo, this was a welcoming conversation piece with which to open the evening.

It was only a pity that, despite the weightier subject matter of much of what was to follow, the level of conversation in the rondo rose above such niceties.

Lacking weight from the very beginning, the Schumann Piano Quintet was nothing like powerfully enough projected. Here, as throughout the work, dynamic contrasts were underplayed, the piano part weakened by a lack of arm power, suspensions (particu-

larly at the start of the development) and before they were lived through, while the first violin, in its moments of potential glory, was annoyingly self-effacing. After a waveling and all too short second movement final chord, the Scherzo's exhilarating scale passages were approached with little more enthusiasm and energy than a reluctant child practising.

The Schubert Octet began more promisingly. Hans Bijholt's strongly musical clarinet playing seemed to urge on and inspire the strings, and there were some finely woven ensemble playing from them.

Joop Meijer, too, after some earlier fluffing, gave us an effective horn envoi to the first movement.

A sharply vivacious third movement and an Adagio in which the clarinet, at times as sweet and penetrating as an oboe, showed real joy in the melodic line, raised the expressive level of the evening. The fourth movement, variations, too, yielded more characterful ensemble playing and closer attention to detail. But a lack of a sense of direction, of music driving onwards through each note to achieve and then celebrate its goal damped the spirits of the final Allegro.

Some of the reviews on this page are reprinted from yesterday's later editions

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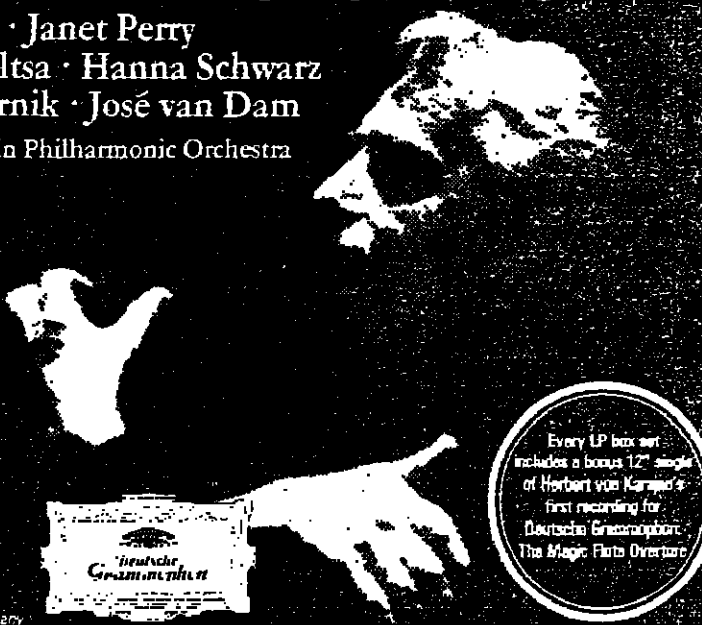
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The critics who wish the lady would turn a little

How anti-semitism began in France

nes:
prob
at th
scious
Villia

The difference a Day makes

France's "Dope" for England, Belgium, Alsace and Lorraine. To admit that the army would have been admitted, that they would have admitted Dréfyus was the "scandal." As the right-wing author and deputy Paul Déroulède said, the innocence of Dréfyus might be a matter for debate; what was certain was that France herself was wrong.

French anti-Semitism was really an element in the much larger struggle of modern and traditional forces. It was a part of the conflict between innovators and conservatives, republicans and clericals, publicists and anti-publicism, the republicans, the royalists, even

support or qualified support, but a respectful one. These qualities were de Gaulle's own. It is a mistake to search for antisemitic motivations in these things.*

In the 1930's anti-semitism enlisted professors, writers, and important newspapers as well as many political movements. Since the war it has been a matter of little bands of fanatics scratching slogans on walls at night. Or so it seemed until the last few days.

What does exist in content?

* Polity today says that 12 per cent of the French are Jews. The 1936 census gave France 8.6 per cent Jews; there are no many Confucians, 1 per cent, ten million Protestants, and 9 per cent too many North Africans.

Rumours that interest in the site is connected with the *Evening Standard* and the *Evening News* and a bid for Associated Newspapers' property in the neighbouring properties firmly denied by the council.

I am sure the subject will even be discussed when the Prince of Wales is the guest at a ceremony at the school's new premises. The Barbican to celebrate the centenary.

Alan H

It would be quite foreign to the traditions of this class to consider joiners with anything but the noblest motives. It is still less to suggest the existence of something called *Headline's* Revenge. But if it may not have escaped more serious readers of *The States* that, in the same speech, in

Alan H.



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have sprung to the arrest of the defence. Constable's wagon, he says, is of a kind that could be adapted to all carting needs.

The base of the wagon is simply a long pole, with the wheels attached to sturdy cross bars. The rear wheels could be fixed in any convenient position by an iron pin dropping through one of a series of holes in the main pole; the exact pole can be seen in the picture. This, says Hawkins, gave

vehicle of any desired length, sufficiently flexible to be used over rough country.

For loose goods like potatoes there were floorboards, sides and end boards, all held in place by four slipping corner posts. For carrying the contents the corner posts alone would be sufficient; but for hay and straw, extra side posts like those in the painting could be added.

"On such a base large amounts of hay could be stacked by an experienced carter," says Hawkins, "and the ease of placing each forkful in the right place so that it all interlocked. Two ropes over the top made it secure for the journey home."

Clever, isn't it? By the way, the reason the carter is sitting with his wagon in the middle of a stream is to soak his

Wicker work

We are likely to be hearing much in the next few weeks of a piece of international jargon known as the Helsinki Final Act. The various topics covered by the Helsinki Final Act were divided and which still appear on the agenda for the Madrid follow-up conference last month.

The term has nothing to do with having all one's eggs in a single container. Nor is it a kind of euphemism for a common term of abuse, the basket case, which was coined by accident at Helsinki five years ago when the Swiss ambassador resolved a disagreement about the order in which matters might be discussed by suggesting that all delegates to the conference should throw their written contributions to the conference in appropriate letter baskets.

It was, however, the

The term "advantage" of not upsetting Russian claims that détente was indivisible and could not be considered in sections. Basket One was a term acceptable to them, and to others, and it stuck. But after five years the origin is almost forgotten. For future reference, Basket One contained security proposals, Basket Two trade and Basket Three human rights. The fourth basket, which was full of proposals to follow

Unflattened

It would be quite foreign to traditions of this diary associate publishers with a thing but the noblest move still less to suggest the chance of something called *Benetton's Revenge*. But it may not have escaped my curious readers of *The Sun* that, in the same speech



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MR CALLAGHAN GOES

Mr Callaghan has taken the right decision in giving up the leadership of the Labour Party. It cannot have been an easy judgment to make. A former Prime Minister, who has been at the centre of British politics for more than twenty years, is bound to have some regrets when the time comes to step down. Mr Callaghan was subjected to considerable pressure to stay on for a little while from Mr Michael Foot, the deputy leader, with whom he has formed a close working partnership, and from trade union leaders on whom he has relied for support over the party's losses. Mr Callaghan could not lightly dismiss that it would be unwise for the parliamentary party to elect a new leader before an acceptable electoral college had been devised.

Yet Mr Callaghan was right for two reasons not to be guided by the strong voices of those friends who urged him to delay his departure. It would have further weakened the position of the parliamentary party if Mr Callaghan had even appeared to give credence to the view that it has no right to elect a new leader in the interval before an electoral college has been established. On the contrary, the parliamentary party needs to accept a leader that it does not want. Secondly, the party needs during these next critical months more vigorous leadership than Mr Callaghan has been able to provide since the election.

He has not been a successful leader of the Opposition, and he leaves his party in disarray. He placed too much reliance on the aid of a few trade union bosses as a means of rescuing the party. He failed to rally opinion on a wider scale and he did too little to win the argument. But he is not the first Prime Minister to have lost his zest for political combat on being deprived of office. Nor should his lack of success during this last phase of his career colour too much the judgment that is made of his overall record.

Mr Callaghan had the unusual experience of proving more than in any other office he held. He was an unsuccessful Chancellor of the Exchequer, even if one discounts the more lurid reflections of his tenure.

MRS GANDHI'S USE AND ABUSE OF POWER

Mrs Gandhi's return to power in India nine months ago was undeniably an act of popular will in spite of the lower than usual poll. In part this was a rejection of the quarrelling and ineffectiveness of the Janata coalition; much more it was a sign that the period of Janata's power had thrown into greater prominence Mrs Gandhi's tenacity and personal appeal as a national leader. In the seventies the Congress Party, so long the accepted party of government, had divided like the channels of a river delta, leaving only Mrs Gandhi's personal following as a symbol of power to the Indian people. Finding that the symbol mattered more than the party, this massive electorate was content to turn back to the assurance Mrs Gandhi provided. There was no other leader in sight. There is not now, nor any sign of one.

But necessarily judgments begin to be made of Mrs Gandhi's performance in office. She has not yet been able to fill her cabinet with able ministers who command respect. She is watched by many prominent politicians and journalists who suffered during the emergency and are anxious lest she has not learnt its lessons and might again return to the methods used then. Hence the sharp criticism in the Indian press when a national security ordinance was introduced without trial for up to twelve months. It was pointed out that there were safeguards that had not applied during the emergency: those arrested would be given reasons within five to ten days of arrest, and deten-

tion would not continue without the assent of a board of judges. But there have been 700 arrests in Uttar Pradesh, notably of black marketers and hoarders, while in Delhi a few arrests are backed by a list of 200 more candidates.

The punishment of economic and social malefactors is bound to be popular and may bring some immediate benefits, even if some of those picked up have suffered because of personal vendettas pursued by politicians, bureaucrats or police—one of the dangers against which *The Hindu* of Madras warned three weeks ago. Undoubtedly much of the "chaos" which has seemed to be a danger this year can be put down to the laxity of Janata rule. Serious Hindu-Muslim rioting, brutal violence against the Dalits, conflict involving tribal minorities, not least the severe disruption in the north-eastern states, with many hundreds of deaths and many thousands of refugees, are all aspects of the chaos that can seem to cast its shadow over India and stimulate a plea for law and order to be restored. In responding to this demand Mrs Gandhi can expect popular backing.

Yet if a general comment were to be made of her nine months in office it would be in the terms used by *The Hindu* in criticising last month's ordinance. There was a failure, said the newspaper, to implement existing laws and, above all, an absence of political will in tackling the undoubted problems which agitated the country and urgently needed action. One might not press this charge (of

which the Janata leaders were much more deserving) against Mrs Gandhi after she has suffered the personal and political tragedy of her son Sanjay's death; and the magnitude of the task is apparent when one reflects on the size and character of Indian society.

In general terms, the administration of justice from the top downwards might seem very creditable, but examine the cases of those detained in a particular prison and a quite different light is thrown on bureaucratic mismanagement and delay, on police corruption, worthless witnesses and magistrates turning blind eyes for better convenience. A more common example of failure to bring about intended change is land reform, high on the Congress list for years past yet slow to be realised. The truth must be faced that the stiff rigidity of caste and custom and ineluctable misery that run through the lower levels of Indian society remain tenacious.

Nevertheless the charge of inactivity, of getting very little done despite the power that has accrued to her personal leadership, begins to lie against Mrs Gandhi. She might answer it by claiming that the political weakness of the last decade in India has been matched by much more lasting and worthwhile economic progress than ever before. Despite many unsolved problems, of which power remains the most obvious, the achievement is one that should be acknowledged. All the more reason why the political and social problems should be tackled with more vigour.

For the first two and a half years of his term of office he must be accounted a successful Prime Minister. But his decision not to hold a general election in October, 1978, marked a sharp dividing line. From then onwards his authority crumbled. The decision itself was a sign of indecision. His failure to secure a further round of incomes policy with a guideline of five per cent, while an honourable mistake in the national interest, none the less betrayed a failure to appreciate the intrinsic weakness of an incomes policy as an instrument of economic management. There followed the winter of discontent.

So Mr Callaghan left office with a sadly diminished reputation which has not been restored. He is right to go now. But as he does he deserves proper recognition from his countrymen, not only for his specific achievements but also for the dignity with which he conducted himself as Prime Minister. He commanded more confidence in the country than any other politician of his day. If in Britain we elected a leader rather than a party he would not have lost office, and he remains a popular figure with the general public.

In choosing his successor the Parliamentary Labour Party needs above all to be positive. It is a good thing that Mr Foot is not to stand. At 67 he would be too old to lead the party into the next election, which is probably three years away; and it would have been most unwise for Labour MPs to have settled now for an interim leader. That might have seemed the safe choice, but it would in fact have been the one most likely to split the party.

The wisest course now would be for them to elect Mr Healey. Of all those available he is the best qualified on two scores. Although a number of right-wingers doubt his willingness to fight the left, he is the one man with the stature and toughness required to assert the rights of the parliamentary party. He is also the person who will appear to the country as the most formidable potential Prime Minister. He is the man whom the Tories are most likely to fear. The two roles are linked. The next Labour leader will not command the confidence of the electorate unless he can first win his own party's battle, and he will stand a much better chance of controlling his party if he looks likely to win the election.

Engineers' response to Finniston

From the Chairman of the Council of Engineering Institutions
Sir, The Government's proposals on the Finniston report faced the engineering profession with difficult decisions and we were given only a few weeks to respond to them. In a very large and complex profession it is inevitable that differing and strong views are held, and it takes time and patient negotiation to reach consensus. This fact is well understood by the Department of Industry, which is not pressing us unduly for a detailed response. In turn we understand the Government's wish to maintain momentum.

As you have reported on three separate occasions over the past week, the presidents of the Chartered Engineering Institutions, which are the members of the Council of Engineering Institutions, met under my chairmanship on October 8 and will meet again on October 21. Many other similar discussions are taking place. We are making substantial and steady progress in our search for solutions which secure the maximum benefit to the national interest while protecting the legitimate interests of the profession. I have every confidence that we shall be able to give the Secretary of State a fully argued response from the entire profession before the end of the month.

We all understand that this important debate is a matter of public interest which invites press speculation, but we believe we shall reach agreement more quickly if all parties concerned avoid making statements until we have reached a consensus view. May I therefore ask you to be patient and not to take too seriously the rumours of dispute within the profession that are bound to gain currency at such a time? I can assure you that the truth is much less exciting but much more encouraging for the future of the engineering profession and therefore for the national interest.

Yours faithfully,
P. A. ALLAWAY,
Council of Engineering Institutions,
2 Little Smith Street,
Westminster, SW1,
October 15.

Jobless school-leavers

From Mr R. Hurst
Sir, The reduction in the number of unemployed school-leavers in September, compared with August, must be welcomed. However, the September total of 208,000 was still 91,000 higher than a year ago and there is no cause for any complacency.

It is understandable that when youth unemployment problems are debated, most attention is focused on school-leavers. It needs to be recognized, however, that school-leavers are only a proportion of the unemployed teenagers. If those who have previously had jobs are included, together with those in special schemes, a total of about 500,000 teenagers are at present without real employment, a frightening figure.

The task of creating sufficient jobs for this number of young people, and those leaving education during the next few years is immense. It must therefore be accepted that for a number of years some young workers will have no opportunity of acquiring essential work experience or vocational training except through government-sponsored schemes like the Youth Opportunities Programme. Expenditure on these schemes for young workers should be regarded as an investment in the same way that the huge resources allocated to higher education always has been.

The Institute of Careers Officers hopes that the Government's current review of special measures for young people will result in the institution of a longer-term strategy which is aimed at creating a well-trained and motivated young labour force. This strategy should also be associated with a "career ladder" (the Prime Minister's words) which also recognizes that rising adult unemployment is causing great financial hardship to many families.

The Government should, therefore, even at this late stage, reverse its decision to defer the payment of supplementary benefit to next year's school-leavers aged under 19 years. This proposal will adversely affect the regular registration for employment of unemployed young people, and it will increase the costs of attending interviews with employers and their ability to respond to ministerial requests to be more mobile in their search for jobs.

Yours faithfully,
RAY HURST, Honorary Secretary,
Institute of Careers Officers,
Careers Office,
Fry Street,
Middlesbrough,
Cleveland.

MIND and its work

From Lady Norman
Sir, I write in support of Professor Sir Martin Roth's constructive letter (October 7) where he says "The need is for the re-establishment of a modern Board of Control whose members, compassion and quiet firmness endowed it with professional and moral authority."

When I was chairman of the executive committee of the National Association for Mental Health in 1958 we were very critical of the abolition of the then Board with whom we had happy and close contacts, because we realized just the sort of situations that have now arisen. The problems in the field of mental health are so complex and varied that my friend Lady Bingley, (letter, September 20), who knows this only too well, might seriously turn her mind to considering Professor Roth's suggestion of making an entirely new start which could only be to the advantage of the patients, the unfortunate families and the valiant team of doctors and nurses in the special hospitals as well as in the psychiatric hospitals and institutions for the mentally handicapped.

Yours faithfully,
PRISCILLA NORMAN,
Aubrey Lodge,
Aubrey Road, W8.

BBC presentation of transplant dilemma

From Professor R. Y. Calne, FRS

Sir, The potential of television to manipulate and distort according to the wishes of the producer is enormous. By skilful editing, cutting and emphasis on sentences taken out of context, British surgeons were portrayed by *Panorama* (broadcast October 13) as callous and ill-informed, whilst foreign doctors were shown to be wise and devoted to humanitarian interests. The results of this biased presentation of the transplant dilemma will be distressing and its perpetration was a wicked act.

All recipients of grafts will now be assailed by doubts that their organs were removed from people who might have lived if their doctors had more skill and humanity. The relatives of those who have had organs taken for transplantation will feel personally guilty for giving permission for the organs to be removed and hence towards the doctors for betraying their trust. Relatives of those killed, whose organs could be used for transplantation, will withhold permission and doctors will be reluctant to ask.

The truth is far from the picture painted by *Panorama*. It is certainly a difficult and worrying task to care for a patient stricken with fatal brain damage, but an analysis of these matters is complicated and therefore unsuitable for treatment by peak-viewing television programmes devoted to entertainment and sensationalism. Medical skills according to ability and experience. Modern resuscitation now enables victims of head injury and brain haemorrhage who stop breathing to be maintained with a heart beat by means of a mechanical ventilator. Since such cases are not common in small hospitals, referral to a specialized regional centre provides the patient with the best opportunity of experienced and skilled care. Every effort will be made towards helping the patient recover. If, however, the brain is completely dead, the ventilator should be disconnected, since ventilating a corpse can do the individual no good and causes anguish to his relatives. In a specialized centre, such as the brain is demonstrated by clinical criteria and sometimes by operative findings when the brain is inspected. On other occasions electroencephalography, angiography of the arteries supplying the brain and cerebral circulation are not performed. No one test is infallible: the main strategy for the patient is assessment by a skilled clinician who will not stop the ventilator until he is sure that the brain is dead.

In the United Kingdom there are not sufficient resources for all ventilator cases to be transferred to a specialized unit and some patients would not stand a journey. Therefore the report setting up clinical guidelines was welcomed by the profession. The standard of care of patients on ventilators has improved throughout the country. Of course there are good and bad doctors. Some patients will not get a chance of resuscitation and use of the ventilator because their accident occurs where there are no facilities. Even in small, poorly equipped hospitals, the clinical criteria, attacked by *Panorama*, would have prevented the errors illustrated in the programme. The person with the flicking eye could not have been examined properly. The doctors who gave the boatman a muscle relaxant should have known he was paralysed by the drug. All the overseas transplant units would have been excluded from clinical assessment alone.

Labour and socialism

From Professor Antony Flew

Sir, Anthony Gles offers to tell us "What the German victory can teach Labour" (October 13). He begins: "At the precise point when Labour is torn by incompatible policy differences, another great socialist party is demonstrating a very different fortune. For the German Social Democratic Party, the SPD, has just won a national election with an increased majority."

Anyone who insists on beginning in this way is bound to go on to confuse himself and everybody else. For the fundamental and perhaps paradoxical truth is that, notwithstanding that it remains perhaps the largest member of the second and still nominally Socialist International, the SPD has not for more than 20 years been a socialist party. Gles does actually refer to the 1959 Bad Godesberg conference at which the SPD categorically and definitively repudiated its traditional socialist commitment; its commitment, that is, to the public and national ownership of all the means of production, distribution and exchange. But, presumably because he is in a muddle about the nature of socialism, Gles does not compare and contrast Bad Godesberg with the conference in the same year at which our Labour Party equally overwhelmingly reaffirmed, with practically insignificant amendments, its own constitutional commitment to total class four socialism.

Training solicitors

From Mr C. E. H. Twiss

Sir, The statement by the President of the Law Society (October 10) that there are 2,000 solicitors looking for jobs and many more seeking training for the profession will come as no surprise to those who have been recruiting articled clerks or young solicitors in the past few years. Indeed, having received an average of 60 applications for articles of clerkship in the public service, I have often wondered what happens to the unsuccessful applicants.

It would be a great pity, however, if competent school-leavers were dissuaded from reading law at university or graduates from seeking training to become solicitors, since the able and motivated among them will, I am sure, find a demand for their services. Of the 60 or so applicants for articles, probably 50 would disqualify themselves by the poor presentation of their application or by mediocre academic achievement. Of the remaining 10, quite possibly

My discussion so far has nothing to do with organ grafting, but solely with the care of a patient with brain damage. Once the decision has been made to stop the ventilator, then organ donation may save life and restore sight. The development of organ grafting has led to improved care of the ventilated patient, because as a result of the clinical guidelines more skill and attention are now focused on preventing any mistakes in premature assessment of death.

In a perfect world, all ventilator cases would be referred to a regional neurosurgical centre, but then in a perfect world there would be no ventilator cases, no need for organ grafting or television. No doubt many patients will die awaiting organ grafts in a hostile, suspicious and uncharitable climate following *Panorama*. Elated by their achievement, the *Panorama* team can tackle more difficult challenges—I would suggest they try to show that St Francis of Assisi was cruel to animals.

Yours faithfully,
R. Y. CALNE,
Department of Surgery,
University of Cambridge
Clinical School,
Addenbrooke's Hospital,
Hills Road, Cambridge,
October 14.

From Mr R. W. G. Johnson
Sir, Richard Lindley's *Panorama* programme on brain death (BBC, Monday, October 13) was a most informative and excellent presented documentary. It was bound to cast doubts even into the minds of the convinced. Unfortunately, this will almost certainly lead to a fall-off in the number of donors available for transplantation unless some of its more subtle references are made clear to the medical profession and to the general public.

Firstly, nobody is considered for kidney donation in this country unless a precise diagnosis of the cause of coma exists. This would automatically exclude occult drug abusers. Secondly, it is perfectly clear in the Royal Colleges' code of practice that drug abuse can alter the clinical findings in the diagnosis of brain death. Overseas, where it is not accepted as transplant donors.

Both EEG (electro-encephalography) and cerebral angiography are widely used in the diagnosis of persistent coma; patients with EEG activity or evidence of an adequate cerebral circulation are not considered for organ donation. It is true that EEG is not available in every hospital, but neither are the intensive care facilities needed to look after patients in coma. These patients are most often transferred to the facilities. Lastly, I have reviewed amongst our own donors from the north-west region the time interval between supporting patients in coma on mechanical ventilators and consulting the transplant unit about potential organ donation. This interval is very significant—the average for adults is seven days and for children 9.5 days. The interval represents the prolonged and often agonising time that the donor's family must wait before the diagnosis is finally made. There is no question of pressure from the transplantation team.

I welcome any useful information on brain death and remain confident that the level of concern and competence in this country is second to none. Yours faithfully,
R. W. G. JOHNSON,
Consultant Surgeon in Charge,
North West Regional Renal Transplant Unit,
The Royal Infirmary, Manchester,
October 14.

The result is that Gles completely fails to recognize and to come to terms with the centrality of that commitment. Clause four is not something which has been insinuated into the party constitution by a bunch of Trotskyite entryists: it has been there since 1918; it has been printed on every party card as the statement of the party's aims for as long as anyone can remember; and, as few people seem to know, words to much the same effect are to be found in the rule books of most of our major trade unions.

It is idle to advise "Labour's real leaders"—assumed, despite their own professions, not to be socialists—to "define a new set of principles" and to tell "the militant rank-and-file" either to bury these or to "seek another party". It is the non-socialists who should long since have left the party whose clearly reiterated aims they do not share. It is idle to insist that "the trade union leadership should offer its close cooperation". For it is precisely the union leadership, casting between 80 per cent and 90 per cent of all the votes at party conferences, which controls those conferences, and which sustains the Marxist and Muscovite majority on the National Executive Committee.

Yours faithfully,
ANTONY FLEW,
26 Alexandra Road,
Reading,
Berkshire,
October 13.

Turnstiles to divide sheep from goats

From the Very Reverend C. A. Shaw

Sir, The subject of admission charges to cathedrals (leading article, October 14) raises more important issues than merely financial. The widespread public distaste still felt at this suggestion is something to be welcomed, not resented. It indicates a more elevated view of these buildings on the part of the public than is held evidently by the English Tourist Board.

Many of us working in cathedrals are unhappy at such a neat division of people into tourists and worshippers. Equally arbitrary is the separation of the building into parts suitable for prayer (a side chapel, and the rest, available for sightseeing). One of the lovely things about Hereford Cathedral is the way in which people use the nave for private prayer as visitors are being guided round. Every visitor is a potential pilgrim just as each part of the building is susceptible to prayer: the spell, as you finely say, cannot be easily disentangled.

Using 60 volunteers who shared our belief that our 100,000 visitors a year were not merely gaping sightseers, the Dean and Chapter in 1978 instituted a Ministry of Welcome scheme. We know the overwhelming number appreciate it, many of them return and most make a free offering. Our income from this source has more than doubled without losing a single atom of goodwill.

Mr Montague's analogy between a cathedral and a country house is in any case erroneous. A great house is a private family's home. A cathedral is a truly public house, of which the Dean and Chapter are custodians, to which people have as much a right of free access as they have the right to breathe the air and admire the scenery.

Thank God no earthly turnstile yet invented is able to distinguish between sheep and goats, and refusing to take on this divine responsibility the Dean of Westminster shows a surer instinct than does Mr Montague.

Yours faithfully,
ALLAN SHAW, Canon Precentor,
Dean and Chapter of Hereford,
The Canon's House,
Hereford,
October 14.

Jubilee Hall listing

From Mr Ian McNicol

Sir Mr William Bell, of the Greater London Council, used your columns (October 7) to state that Jubilee Hall, Covent Garden, was only listed "as the result of public pressure, not on grounds of architectural importance but because the community wanted it as a sports hall". Before this myth becomes accepted historical fact I feel the background to the listing should be explained.

In December, 1977 (before the sports hall was open) Dr Darnum, of the Environment, listed Jubilee Hall and recommended that it should be listed Grade 2. Listing would have ensued as a result of this report but for the timely intervention of the Greater London Council. The leader of the GLC Covent Garden team wrote a lengthy letter to the then Minister at the Department of the Environment, Mr Reginald Freeson, arguing that if the Jubilee Hall was listed then the GLC would lose over £1m. Mr Freeson accepted this argument and the listing did not proceed.

It was only in July of this year, when Mr Freeson wrote to the present Secretary of State for the Environment, Mr Michael Heseltine, explaining the saga, that the facts came to light. Mr Freeson pointed out that a Government statement in the House of Lords that "successive Secretaries of State had concluded that the hall does not have the special architectural or historic qualities necessary for listing" was not correct. Mr Heseltine then listed the building and thus finally concluded an episode which should have been resolved in 1977.

I have heard Mr Heseltine being accused in the GLC Chamber of a "political listing"—from the above it must be quite clear that he was only doing the honourable thing in carrying out his statutory duty. Mr Bell is well wide of the mark: in fact it was the intervention of the GLC officers which brought about the earlier "political non-listing". Yours faithfully,
IAN MCNICOL, Manager,
Jubilee Hall Recreation Centre,
Central Market, Covent Garden, WC2,
October 10.

Little John

From Mr Pat Adams

Sir, My father's first name was John; for some time 70 or 80 years ago, he used the signature "Jno. M. Adams". When I visited Canada recently, my host mentioned that his Newfoundland grandfather had used the same abbreviation—"Jno. Newson"—and he wondered how it originated. So did I, and so far my enquiries have got me nowhere. Other abbreviations of the period, like Chas. and Thos., were all consistent in keeping the letters in the right order, and economical in saving at least two. But how did "John" become "Jno."?

Yours faithfully,
PAT ADAMS,
5 Fitzmaurice Place,
Berkeley Square, W1,
October 13.

Taken in adultery

From Mr J. B. Cahill

Sir, It is interesting to compare the recent remarks of Pope John Paul on Matthew v. 28 (report, October 9) with those of St John Chrysostom, a very distinguished bishop of New Rome: "Rather, if you desire to look and find pleasure, look at your own wife and love her continually: no law forbids that". Yours faithfully,
J. B. CAHILL,
Christ Church,
Oxford.

Tackling juvenile crime

From Lady Faithfull

Sir, I am writing in my capacity as chairman of New Approaches to Juvenile Crime, which has the support of eight organizations concerned with young offenders—the Association of Directors of Social Services, the British Association of Social Workers, the Conference of Chief Probation Officers, the National Association for the Care and Resettlement of Offenders, the National Association of Probation Officers, the National Council for Voluntary Organizations, the National Council of Voluntary Child Care Organizations and the National Youth Bureau.

It is disappointing that the Government's White Paper, *Young Offenders*, fails to reassert the aim enshrined in the 1969 Children and Young Persons Act of phasing out the use of prison department establishments for offenders under 15. This objective was not based on any sentimental or idealized view, but on a realistic estimation of the disadvantages of dealing with young offenders in institutions away from the problems which lead them into crime. It may not be practicable to end the use of custody and deten-

develop all the necessary alternative provision in the immediate future, but a declaration of the Government's intention to move in this direction would be preferable to legislation perpetuating prison department custody for this age group.

A small number of juvenile offenders require secure accommodation which should ideally be provided by local authorities rather than the prison department, and a minority need residential care in a small but well resourced residential sector. However, the proposed residential care order is based on the mistaken notion that giving magistrates greater powers to commit young offenders to community homes will help reduce criminal activity. Nevertheless, it is encouraging that the Government has taken some earlier criticisms of the proposal into account by limiting the order's duration to six months, providing a wide definition of "residential care" and requiring legal representation before such an order is imposed.

For most juveniles, the most helpful approach lies in the development of intermediate treatment programmes which work to wean youngsters away from delinquency

and to involve parents in taking more responsibility for their children's behaviour. The Government's declared intention to encourage the continuing development of intermediate treatment is welcome. A substantial switch of resources from custody to intermediate treatment schemes would be a valuable investment for the future, and should constitute a central part of any programme to combat juvenile crime.

Yours faithfully,
LUCY FAITHFULL,
New Approaches to Juvenile Crime,
165 Clapham Road, SW9,
October 7.

Religion and crime

From Dr T. C. M. Carnwath

Sir, My neighbour, John Farrell (October 13), was very encouraged by the number of sinners in the Catholic church. I would be more encouraged if I was sure that the church attracted them rather than produced them. Yours faithfully,
TOM CARNWATH,
21 Somerset Street,
Bristol 2,
October 9.

LAING

make ideas take shape

THE TIMES
BUSINESS NEWSIMI
The International
Insurance
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- **Stock Markets**
FT Index 485.5, up 8.1
FT 100 71.43, up 0.36
- **Sterling**
\$2.4075, down 10 points
Index 76.6, up 0.2
- **Dollar**
Index 83.5, up 0.2
DM1.8255, up 80 points
- **Gold**
\$678.50, up \$8.50
- **Money**
3-month sterling 15 1/2-15 1/4
3-month Euro \$ 13 1/4-12 1/2
6-month Euro \$ 13 1/4-12 1/2

IN BRIEF

Post Office
set to
confirm 14p
letter rate

An increase in postal charges—taking the cost of a first class letter to 14p—is to be confirmed by the Post Office within the next few days.

The rises, which will apply also to parcels and National Giro Services, will take effect probably in February, exactly a year since the last round of price increases.

Factory taken over

British Nuclear Fuels announce it has bought the former Courtland factory at Lillibeth, on the outskirts of Workington, which closed two months ago with the loss of nearly 1,300 jobs. BNF plans to use the premises as an engineering workshop for power station components.

Honour for economist

The 1980 Alfred Nobel memorial prize for economics was awarded yesterday to an American, Professor Lawrence Klein of the University of Pennsylvania. The prize, which was set up by the Swedish Central Bank in 1968, is worth over £100,000.

African challenge

Growing demands of African countries in the next decade would pose a great challenge to the British truck and bus industry, particularly Leyland Vehicles, said Mr. Kenneth Clarke, Parliamentary Secretary at the Department of Transport, at a conference yesterday.

Haulage rates up

A rise of 13 per cent in road haulage rates between Britain and Europe from January 1 is being recommended by the Road Haulage Association to its member companies in international traffic. Rates have not risen since January 1978, while costs are up 55 per cent, the RHA says.

More oil for France

France hopes to make good the loss of Iraqi oil supplies by stepping up deliveries from Saudi Arabia, the United Arab Emirates and other producers, French government officials said in Paris. The UAE has agreed to sell France an extra 50,000 barrels per day.

Acceptance urged

Mr. Paul Tapscoft has urged shareholders in Laurence Scott, the electric motor group he has taken over, to accept the £6.2m takeover bid from Mining Supplies and reject the shares.

Protests expected

Renewed protests about the level of Japanese car imports into Britain are expected for the coming week. On Tuesday, the first preview day for the Birmingham Motor Show, total Japanese car sales for the year reached 165,347, about 12.6 per cent of the market.

NCB reappointment

Mr. Norman Siddall is to serve for a further two years from January 1981, as deputy chairman of the National Coal Board. He has held the post since 1973.

Wages running
almost 6pc
ahead of annual
inflation rate

By Melvyn Westlake
Earnings from employment are running some 51 per cent ahead of inflation, according to government figures, published yesterday. These show earnings up by an average 21.6 per cent in August, compared with a year earlier.

It was being made clear by the Department of Employment that the recorded increase in average pay over the last year probably understates what has really happened. The official estimate is that the underlying increase was around 22 per cent.

This would mean that earnings have, on average, exceeded the increase in prices by 51 per cent—the largest amount by which pay has run ahead of inflation since October 1978. The signs are that this will continue for some months and the gap could grow still wider.

There seems little likelihood that the official index of earnings, which covers some 21 million employees, will show any significant decline until early next spring. This is because about 70 per cent of all settlements occur in the first half of the year.

The earnings index will, therefore, continue for some time to reflect the high settlements that were made during the last pay round. The rate of price increases, on the other hand, could continue to inch lower over coming months.

This could help to slow down the recession unless the increasing level of unemployment encourages people to increase their savings. But rising standards will not improve by as much as it might appear at face value, because the burden of taxation will also be rising. Moreover, the position is likely to be reversed in the private

sector who will see their pay rising less fast than prices for some time.

This year, however, the underlying increase in earnings has tended to rise from about 20 per cent year-on-year in January, to the present level of 22 per cent.

The underlying estimate is intended to make allowance for the various distortions that affect the index. Large payments of back-pay and changes in the timing of settlements cause such distortions.

For instance, next month the index is likely to be raised sharply by several months of back pay for 400,000 teachers as well as nurses and local authority white collar workers.

The Government has been drawing some comfort from several recent pay settlements which have given awards in single figures, particularly in the car and engineering industries.

It is becoming increasingly clear that many workers are being influenced in their wage demands by the serious economic situation and the often painful financial condition of the companies which employ them. But the picture is clearly uneven.

Other groups of workers, such as tankers drivers, have been pushing for high pay awards where they obviously believe the company can afford to pay them. Some economic forecasters believe that average earnings in the new pay round will come down to about 12 per cent, although government ministers have been making it increasingly clear that they want to see pay increases in single figures. To reinforce this policy in the public sector, cash limits on public spending will also be firmly set below 10 per cent.

Government
sells last
£300m of
long tap

By John Whitmore
Financial Correspondent
The Government's plan for funding the public sector borrowing requirement has been helped yesterday by the sale of the remaining £300m of the long-tap "cap" stock. Exchequer 12 per cent, 1998.

But changes in the money market with overnight rates briefly starting to 100 per cent, or more, started speculation that the October money supply figures could be badly distorted by "round-tripping" (large borrowers withdrawing the money at higher rates of interest).

Yesterday the banks closed their books for the October banking month. But as banks struggled to square their books to comply with official reserve asset ratio requirements, short-term interest rates were forced so high that some large borrowers were forced to have drawn down their overdraft facilities to raise the money at higher rates of interest.

The authorities tried hard to prevent interest rates from rising too much by once again pumping funds into the discount market. But this failed to reach the interbank market where the quantity to bring much relief.

How much advantage was taken of the round-tripping opportunity is a moot point.

Although the last of the Exchequer 12 per cent, 1998, sales will not count in the October banking month, the authorities have still been able to sell a useful amount of the long stock during the last few days, as well as selling remaining short-dated, low coupon gilts.

In this morning's £800m Exchequer 11 1/2 per cent, 1986, stock goes on sale in £30 paid form but it remains to be seen how much more money investors will be prepared to put up after buying of the last few days.

Financial Editor, page 17

Diversification continues with takeover
Engineering group in £14.5m deal

By Andrew Goodrick-Clark
Financial Editor

Northern Engineering Industries, the product of the Clarke Chapman & Reynolds, Parsons merger, has taken over a North American based engineering group, a leading telephone printer maker, Exel Corporation.

This confirms NEI's strategy of using the company's traditional dependence on heavy engineering. The emphasis of its acquisition programme in North America has been on buying businesses in the electronics sector.

Exel Corporation, which has no corporate connection but strong trading links with the British public company, Exel Group, the largest telephone printer maker in North America.

A year ago it paid some £50m for International Power Machines, an American safe

guard systems manufacturer. In April it paid about £5m for Ferranti Packard Canada, whose activities include electronic display, scanning and sorting equipment.

Exel Corp is a private company based in Chicago making advanced teleprinters, some of which are manufactured in Britain by Transel, at Slough, which it owns jointly with Exel Group.

As a first step, subject to permission under the Hart-Scott-Rodino Act, provisions which force foreign companies making United States acquisitions to declare possible conflicts of interest, NEI plans to buy 64 per cent of Exel Corp for \$25m (£10.4m).

Funds for this have been arranged through a provisional placing of 20 million new shares at 57p against a ruling market price of 57p. This was undertaken by two stock

brokers, Panmure Gordon and W. Greenwell, yesterday.

This first tranche of Exel Corp stock will come from three major shareholders—Dow Jones (whose holding in Exel ultimately will reduce from 35 per cent to 10 per cent), Kemper Corp, a Chicago insurance company, and the founding Merco family.

Later, NEI will build its stake in Exel Corp to 90 per cent at a cost of a further \$10m to be raised from its own resources.

Dow Jones, publishers of the *Wall Street Journal*, no longer wants to retain a strategic stake in Exel, but it will remain a minority in the NEI-controlled company.

NEI, based at Newcastle upon Tyne, recently announced contracts estimated to be worth £250m for boilers and power plant for the new generation of British advanced gas-cooled nuclear reactors.

Financial Editor, page 17

Federal help
to stave off
Massey
bankruptcy

From John Best
in Ottawa

Massey-Ferguson of Toronto, the international farm equipment manufacturer, is continuing its attempt to stave off bankruptcy with the help of two federal Government representatives.

The Canadian government has made Mr. John Bell, vice chairman of Wood Gundy, a large Toronto financial house, its chief representative in developing a refinancing plan for Massey-Ferguson. Wood Gundy headed an underwriting group that marketed a series of preferred shares for Massey in 1975.

Mr. Gordon Lackenbauer, vice president of Bedford Mackay Ross, the brokerage company is the second federal representative.

It is rebuilding its board of directors, after the resignations of seven members two weeks ago. The resignations came after the sudden decision of Argus Corporation, Massey-Ferguson's main shareholder, to turn all its shares over to two Massey-Ferguson pension funds.

Massey-Ferguson's largest creditor, the Canadian Imperial Bank of Commerce, has taken a fourth seat on the company's board. The bank's new representative is Mr. Charles Laidlaw, vice chairman of CIBC, who will also join Massey's executive committee.

Mr. Laidlaw's appointment reflects the bank's deep concern over the fate of Massey-Ferguson, which is believed to owe CIBC Can\$200m (about £100m).

Massey-Ferguson is trying to assemble a Can\$500m refinancing package to relieve debt of almost Can\$2,000m and ward off financial collapse.

But Massey has failed to obtain relief from conditions attached to short-term debt of \$355m (about £147m) owed to United States banks. Massey-Ferguson's subsidiary, Massey-Ferguson Inc., is seeking waivers on some longer term debt obligations.

Massey and the Canadian Imperial Bank are reported to have been working on a financing plan under which the Canadian government would acquire a substantial equity in the company. Massey's bankers would guarantee part of a large public preferred share issue.

The Canadian government has confirmed its assistance to naming Mr. Bell and Mr. Lackenbauer, but it has not ruled out direct financial involvement.

Mr. Peter Lowrey, Massey-Ferguson's public relations director, said he hoped that the rescue operation would be successful.

Deutsch marks sold

Speculation that today's meeting of the central council of the West German Federal Bank will decide to cut Lombard rate led to selling of the Deutsch mark yesterday. At one point the dollar rose to DM1.32, but finally finished 80 points higher at DM1.825.

CBI seeks revised technology draft

By Patricia Tisdall
Management Correspondent

Hopes of some agreement between unions and employers were dashed at yesterday's meeting of the Confederation of British Industry's policymaking council. The council rejected proposals to formulate a joint TUC-CBI policy setting out guidelines for the introduction of new technology.

It was hoped that the proposals, initiated at a National Economic Development Council meeting in January, would be the first of a series of bilateral agreements. These were encouraged by the invitation, issued by the TUC at last month's NEDC meeting, to include talks about pay in general economic discussions with the CBI.

Announcing the CBI's council's decision, Sir Raymond Pennock, its president, said he would be surprised and disappointed if it meant TUC leaders would become disillusioned, although inevitably

it must endanger the prospects for future cooperation between the two sides.

Sir Raymond said that while the draft document had not been rejected, the council felt that it could not accept it in its present form.

CBI staff have been asked to produce the confederation's own version of guidelines for new technology—a process which will take several months—and report back to the council. Only at that point could discussions be resumed with the TUC, Sir Raymond said.

While widely different views were given by the 400 or so CBI council members, the consensus was that a national agreement of the type proposed by the TUC could impede rather than accelerate the acceptance of change in industry.

Several members believed "that the introduction of innovation was going very well at the moment", and were anxious nothing should jeopardize this at present.

The joint draft was based on a 10-point checklist produced by the TUC's general council last year and was intended to give union negotiators guidance on new technology agreements. It emphasizes the need for technological change, but stresses that full consultations should be held before changes are introduced.

A revised version, which was circulated at the TUC Congress at Brighton last month, shows a number of compromises have been made. For example, the unions had insisted first that no compulsory redundancies should be attached to the introduction of new technology. However, the revised version says that "if redundancies should be avoided wherever possible".

Equally, the CBI is understood to have accepted the TUC standpoint that "changes are more easily carried out in times of rapid economic growth and low inflation".

Growing anxiety over
'privatization' plan
for Cable and Wireless

By Peter Hill
Industrial Editor

Plans for injecting private capital into Cable and Wireless, the state-owned telecommunications group, are expected to be announced by the Government before the end of this year.

Detailed studies into the scale, nature, and timing of the sale of a substantial part of the Government's 100 per cent stake in the company are being carried out by merchant bankers, Kleinwort Benson. This comes amid growing anxiety over the continuing uncertainty about the Government's plans for the "privatization" of the company.

Cable and Wireless, which supplies telecommunications services mainly overseas, has been seen by the Government as one of the prime targets for privatization.

The retiring chairman of the company, Lord Glenamara, who succeeded yesterday by Mr. Eric Sharp, formerly chairman of Monsanto, said that the privatization plan would mean a profound change in the nature of the company.

The former chairman and other members of the board have made clear to ministers and the Department of Industry the importance of ensuring that the change does not put the company's relationship with foreign governments at risk.

"De-nationalization or privatization here, might start off a chain reaction of nationalization around the world and therefore, the Government must carry with it all the foreign governments involved", Lord Glenamara said.

Kleinwort Benson began its detailed work for the Industry Department about four weeks ago. Company executives are concerned that the Government should clarify its intentions as soon as possible and end the present uncertainty.

Speaking at a news conference on the company's annual report and accounts for last year, which revealed a 53 per cent profit before deductions, compared with £57.7m in the previous year, Lord Glenamara emphasized that the company's performance had been achieved despite the worldwide recession, the high level of United Kingdom inflation and the effects of a high sterling exchange rate.

Increased supplementary depreciation, however, reduced the company's pretax profit to £43.5m, compared with £45.5m the previous year.

Cable and Wireless is planning to boost its capital expenditure programme to a level of \$300m (£100m) annually over the next three years largely from internally generated funds. It is hoping for new opportunities in the United States arising from recent decisions of the Federal Communications Commission, and also in the United Kingdom in the wake of the planned legislation to end the Post Office monopoly.

Financial Editor, page 17

Bonn money supply

West German's key barometer of money supply growth advanced in September at a rate just under 5 per cent, at the desired end of the 5 per cent to 8 per cent growth corridor set by the West German Central Bank. It was announced in Frankfurt.

Swedish trade deficit

Sweden had a provisional 1,200m crown (about £121m) trade deficit in September, after a 1,900m crown shortfall in August, and compared with a 400m crown surplus in September, 1979, the central statistics office said in Stockholm.

BSG closes outlet in move
to reduce its borrowings

By Philip Robinson
and Clifford Webb

BSG International, Europe's largest Ford distributor and a major car components maker which last week voted to Mr. Harry Cressman, its chairman and chief executive, is closing its outlet at Stoke-on-Trent as the first move in reducing its £40m debt.

The group is committed to halving its borrowings by the middle of next year. Closure of Bristol Street Motors (Stoke), a Vauxhall and Bedford main dealer, will save the company between £1.5m and £2m in borrowings.

The workforce was told of the closing on Tuesday night. The policy of reducing the group's debt was behind the last boardroom dispute which last week resulted in the dismissal of Mr. Cressman, who had built up the company with his brother Albert since the 1930s.

Mr. Cressman believed that a merger of BSG with another company was in the best interests of shareholders and employees. Mr. Thomas Cannon, managing director and now chairman, wants the group to remain independent and sell assets to weather the high interest rates which are cutting into profits.

Mr. Cannon said yesterday: "We are tired of working damned hard just to pay the interest. A slimmer operation will be more profitable. We are not in any sort of financial trouble. We are just over-gearing."

He said that the BSG board was united in a fight to retain the company's independence. BSG had an acceptable level of turnover but the combination of high interest rates and low profit margins in a very competitive market were "really hurting us".

Unions call for fibre import curbs

By John Huxley

Leaders of three major unions will today urge Mr. John Nott, Secretary of State for Trade, to take immediate action to halt the flow of "unfair" imports into Britain from the United States.

The call is likely to embarrass the Government. Ministers have long recognized that American protectionist advantages because of artificially low energy and feedstock costs but are anxious not to take action that might cause harm to trade relations between the United States and Britain.

These have been poor since Britain received a Commission earlier this year to impose quotas on imported man-made fibres. That measure was sought largely to block American imports and it provoked claims for compensation from Washington.

It is the immediate crisis in

Britain's man-made fibres industry that has prompted the unions to seek an urgent meeting with Mr. Nott.

Earlier this week, ICI, Britain's largest industrial company, announced that it was closing two plants and making 4,200 people redundant in an attempt to cut rising losses in its fibres business.

ICI said that imports from the United States, which have increased the Americans' share of the United Kingdom fibres market from 7 to 30 per cent in the past 18 months, were largely to blame. Mr. John Harvey-Jones, a deputy chairman of the company, said that action by the European Commission to curb imports had come too late and were too limited.

Today Mr. David Bennett, Mr. Mass Evans and Mr. Clive Jenkins, general secretaries of the General and Municipal Workers, the Transport and General Workers' and the

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Nitrate Explorer 25p to 51 1/2p	Friedland Dogst 5p to 82p
Petaling Tin 23p to 33 1/2p	Granges 15p to 85p
RTZ 23p to 46 1/2p	Hoechst 10p to 25 1/2p
St. Helensbury, J. 15p to 33 1/2p	Massey-Ferg 15p to 24 1/2p
Tricontinental 16p to 38 1/2p	Mitsubishi 40p to 74 1/2p
Vesper 15p to 35 1/2p	UCI Invest 10p to 66 1/2p
Wholesale Fils 20p to 30 1/2p	Vialtoinvest 10p to 54 1/2p

THE POUND

Bank buys	Bank sells
Australia \$ 2.00	Norway Kr 12.07
Austria Sch 32.25	Portugal Esc 123.00
Belgium Fr 73.00	Spain Ptas 160.50
Canada Cdn 2.27	Sweden Kr 10.37
Denmark Dkr 13.85	Switzerland Fr 4.12
Finland Mk 9.15	USA \$ 2.47
France Fr 10.45	Yugoslavia Dnr 76.00
Germany DM 4.54	
Greece Dr 107.00	
Hongkong \$ 12.25	
Ireland P 1.19	
Italy Lit 2175.40	
Japan Yen 320.40	
Netherlands Gld 4.91	

Admen find their ideal vehicle of communications

Where the old Mini is still supreme

EL's new Mini Metro may have captured the hearts of many motorists, but the advertising community is concerned the old Mini still reigns supreme.

When it comes to selling a message by car, the original Mini remains the most convenient vehicle for advertisers. Whether you want to market a product or a service, the Mini offers the best selection," said a spokesman for Rollerposters, one of the two main companies in Britain specializing in repainting cars with an advertising theme.

In return for promoting products from cigarettes to contraceptives, motorists have, for some years, been receiving repayments for their cars backed up by small monthly payments.

But both Rollerposters, a subsidiary of the poster firm Mills & Allen, and Poster Motors, the firm which imported the idea

into Britain from the United States, insist the cars must be Minis.

In the words of the Rollerposters spokesman: "The Mini is still a fun car—it's been driven by everyone from my mother to members of the royal family. It's suppose in five or ten years it might be replaced by a more sophisticated Metro isn't replacing the Mini and as long as there are Minis around in the quantities there are at the moment we'll stick with them."

The mobile poster market has had some moderate successes since it arrived in the United Kingdom a few years ago, notably with jeans firms. Companies pay for the repainting of the cars, monthly fee to the owners which, in the case of Rollerposters, starts at £6 a month, and the placing of an eye-catching vinyl poster on the vehicle. The driver can remove the poster after the agreed period of the contract without affecting the paintwork of the car.

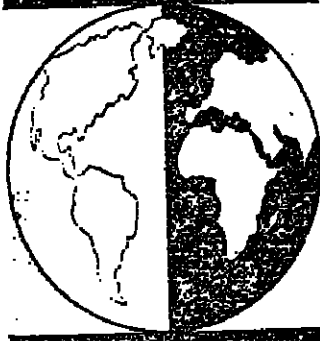
According to the advertising agency Beaton & Bowles, the car posters have shown "encouraging recall results, very roughly equating, in terms of costs and recall, with a 48-sheet poster campaign of similar duration."

Benton & Bowles estimates that the cost of a two-month campaign covering eight conversions would be £108,000 for 360 cars with production costs of £26,000. A similar eight-conversion package of 400 48-sheet posters would cost between £110,000 and £150,000.

The agency comments: "Mobile posters are not an easy substitute for 48-sheet outdoor packages. There is, however, still a degree of novelty value which could be of interest to a client requiring an element of public relations and promotional activity alongside reasonable consumer coverage."

David Henson

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Steel price trigger rises 12pc

The United States Commerce Department in Washington has announced details of the fourth quarter 1980 steel trigger price mechanism, with new prices approximately 12 per cent above first quarter levels.

The department said the new trigger price levels include the substantial increases in labour and material costs incurred by Japanese steel mills when they concluded their annual contracts in the spring of this year. Previous contracts had been in effect since May, 1979.

The fourth quarter increases include a 12.1 per cent rise in trigger price bases in extras for products from integrated steel mills.

Honda export plan

Honda Motors, Japan's third largest vehicle manufacturer, said in Tokyo it plans to boost its car and motorcycle exports by nearly 23 per cent. Planned sales during the business year to the end of next February will include exports of 692,000 cars and 2.09 million motorcycles.

Bonn borrowing

West Germany's 1980 gross public borrowing requirement had been covered by mid-October, when gross credits totalling DM55,500m (about £13,140m) had been raised, the finance ministry reported in Bonn. An additional federal loan issue of between DM1,000m and DM1,500m will be floated in the second half of October.

Pay cuts accepted

Braniff International Corporation in Dallas says its pilots and mechanics last week approved a previously reported 10 per cent pay cut to help the financially troubled airline get back on its feet. Some 2,200 mechanics and 1,500 pilots voted on the issue.

US car sales up

The United States car industry in early October reported its first year-to-year sales gain since late January. Car makers said in Detroit that deliveries have risen about 12 per cent from the year-earlier period. New models were apparently the basis of this success.

Differences in production concern Spanish ministers and shippers

Row fermenting over British sherry

Spain intends to see "British sherry" disappear in the same way as "Austrian burgundy" and "Spanish champagne". The differences between British and Spanish sherry, especially in production, are causing concern in Spanish ministries and among shippers as Spain moves towards full membership of the European Economic Community.

A High Court judgment in London during 1967 established that the words sherry, Jerez, the area in Spain where Spanish sherry is produced, and Xeres, the name of the world famous wine in France, are different spellings of the proper geographical name of a town in south west Spain which produces a distinctive type of wine.

But the judge allowed the sellers of products from other places to continue to use the name if they always added a geographical prefix, for example, "Cyprus Sherry". Only the wine from Jerez is legally entitled to be called sherry, without further qualification, in Britain.

But as Spain moves closer to full mem-

bership of the European Economic Community, protection of the denomination of origin of Spanish wines, particularly sherry, has become increasingly important. Sherry accounts for almost half of the revenue from Spanish wine exports.

If the European Community's decisions to give other well-known wines the exclusive right to use the name of their birthplace serve as precedents it is likely that the labels of wines from other parts of the world will cease to be labelled sherry with a geographical prefix.

But British sherry, under the Community's definitions, differ from Jerez wine because of the way it is manufactured. According to the Community's definitions it is not a wine because the EEC considers that wines are basically the end product of the fermentation of the juice from freshly picked grapes. Some wines, such as sherry, are fortified with alcohol distilled from wine.

The main ingredient of British sherry, however, is a grape-juice concentrate which has the consistency of jam. The juice is

imported by Britain from various grape-growing countries. Concentration, achieved by boiling down the juice before shipping, reduces freight costs.

Water is added, the liquid is fermented, and alcohol is added to produce the desired alcoholic content. HM Customs and Excise refers to this type of beverage as "made-wine" rather than "wine". But British sherry sells well and agricultural officials in Spain point out that more British sherry is sold in Britain than the wine from Jerez.

Government officials and wine traders from Britain and Spain exchanged views at meetings during the summer in Madrid and Jerez. Defenders of British sherry were concerned about the loss in sales which a change in name might bring.

The shippers proposed setting a deadline for the elimination of the word sherry from the labels identifying the "made-wine". The deadline would allow time for a gradual change to another word or phrase. But no decision was taken.

Harry Debellus, Madrid.

Confusion on tax computer

By Bill Johnston
The vagueness of Europe's public procurement policy is giving Whitehall cause for concern as civil servants attempt to interpret the options open to Government in deciding who should be awarded the lucrative £150m inland revenue computer contract.

The policy embraces computer contracts for the first time in January—computing and telecommunications have been exempt. Under the conditions of the policy, all public contracts must be put out to tender.

But confusion has arisen over when the policy comes into effect. It is not clear whether the January date means that a contract must have been awarded by that time, or tenders invited; or that the Government has already issued a letter of intent to purchase from a particular supplier.

The wrangle has involved the Department of Industry, the Treasury, the Inland Revenue, the Central Computer and Telecommunications Agency and International Computers Ltd.

ICL has enjoyed the benefit of single tender contracts for most government work of this type. The company said yesterday: "The policy is confusing to all concerned and needs clarification."

This summer, the Government made it clear that the contract would not necessarily go to ICL. A decision on the contract is yet to be made. A number of options are to be presented to the Cabinet before the end of the month.

Hopes of compromise on worker directors

By Patricia Tisdall
Management Correspondent
A shift in attitudes which could end the deadlock between British companies and the European Commission over industrial democracy resulted from a meeting between the Institute of Directors and Viscount Davigton, the EEC Commissioner for Industry.

A statement from the institute yesterday after the Brussels talks earlier this week says it believes that a compromise is now possible over the EEC's draft fifth directive. This seeks to introduce statutory worker participation in British companies either by two-tier boards or by works councils.

The Institute of Directors has opposed any form of statutory control over the composition of company boards. The institute joined the Confederation of British Industry recently in voicing even stronger opposition to proposals for compulsory consultation with and disclosure of information to employees.

The whole question of industrial democracy was re-examined by directors, the CBI and other representative management bodies earlier this month after the European Commission approved another draft directive drawn up by Mr Henk Vredeling, the EEC Social Affairs Commissioner.

British companies were alarmed by these proposals which greatly increase the rights of employees in large companies to be given detailed information about aspects of company policy. The companies say the proposals were drawn up without adequate consultation.

The institute is to develop its proposals to expand the role of non-executive directors and make detailed suggestions to the Commission on how the draft fifth directive can be amended.

According to Mr Walter Goldsmith, director general of the Institute of Directors and leader of the delegation which discussed both the fifth directive and the Vredeling proposals with Viscount Davigton, "we were not only able to put to Commissioner Davigton and his staff the UK business community's outright opposition to statutory systems of consultation, but were also able to put positive suggestions for a way out of the current impasse".

The Commission has also been taking another look at the proposals and the British directors believe there has been a change of emphasis in how the commissioners view the function of company boards.

The commissioners appear to be prepared to regard board members as individuals rather than as delegates of sectional interests. As a result the directors are looking at proposals which would build on the use of non-executive directors who would be appointed to advisory boards on the basis of knowledge, skill and experience.

"This could well be a route to amending the draft fifth directive in a way acceptable in United Kingdom companies", said Mr Goldsmith. "Non-executive directors already play an important role in discharging a company's responsibility to take into account the effect of its actions on the parties who have an interest in it, and on the community at large."

The institute is to develop its proposals to expand the role of non-executive directors and make detailed suggestions to the Commission on how the draft fifth directive can be amended.

Prince calls for new attitudes in engineering

By Our Education Correspondent
The Prince of Wales called yesterday for changes "on a major scale" in the education and training of top-level engineers in Britain. He said that change was needed within the education system; among employers, particularly in the composition and attitudes of boards; within the engineering institutions; and in the training process.

He was speaking at the opening of a national two-day conference in London to consider the recommendations of the Finlinton report on the engineering profession. The conference was attended by nearly 500 people from industry, education, the engineering institutions, and the Government.

Britain would become a minor industrial state with no voice in international affairs unless changes were made in the engineering industry. What was needed was "action rather than sweet words", he said.

The Prince's recommendation for the establishment of a national engineering authority was welcomed by the industry. Charles said that such a body could "take a wide range of views from all sides of the industry and solve all our problems". It was up to individuals to encourage change.

He urged the engineering institutions to stop arguing and come to an agreement about the way in which changes needed to be pursued. The future success and potential prosperity of Britain was at stake.

If the arguing continues, there will be a distinct danger of becoming hopelessly bogged down, and the best chance we've had for a long time of creating some building mechanism to ensure that vital change is instituted and maintained will be irrevocably lost," he said.

Reluctance and in-built conservatism would merely create a Pyrrhic victory for engineering. Nothing would be done and "we shall merely find ourselves as one of the late twentieth century minor industrial states with no voice in international affairs, treated with pity and, at best, with ridicule from time to time."

Turning to the educational system, Prince Charles said that a big change in attitudes was also needed there. More should be done to familiarize pupils, even at primary school level, with the world of industry, science and technology.

Greater cooperation with industry was needed at university level. He had been impressed by the recent agreement between GEC Marconi and Bath University to set up a special engineering degree course geared to industry's needs, and hoped similar schemes could be developed between other companies and universities.

Industry, for its part, needed to show greater appreciation of its top engineers. He had been interested to learn of a survey in Japan which had suggested that 52 per cent of the board members in Japanese manufacturing companies were engineers, and that in the high tech golden areas the figure was close to 100 per cent.

Business appointments

Barclays Int names director

Professor Samuel Sey, chairman of Barclays Bank of Ghana has been named a director of Barclays Bank International. Mr Sey has been joined by the Aston Martin Lagonda board as a director.

Mr R. C. Tucker has become general manager of New Zealand Insurance (UK) succeeding Mr I. F. Macdonald who is retiring. Mr Michael Cohen, Mr Andrew Weston and Mr John Wells have joined the board of Eridon International Management.

Mr P. G. Eyles has been appointed as executive director of the Capital Group.

Mr R. C. Horby has been appointed as managing director of Vickers.

Douglas Maule is to join the board of Istoc Johnson.

Mr Maurice Garner has joined the board of Microlec.

Mr Michael A. Ziff has been appointed to the board of Style Sheet.

Mr J. C. Salmon has been appointed to the board as a non-executive director of Catlin.

Mr Nigel H. Clifton has been appointed as a director of the London Building Society.

Mr T. J. Thomas has been appointed as chief executive of International Synthetic Rubber.

Work waiting to be done at Heathrow

From Lord Denham

Sir, With some hundreds of other passengers, I arrived last Sunday at Heathrow from Australia. A journey, lengthened by diversions due to closed airways in the vicinity of Iran, Iraq, but made agreeable by kindly and considerate aircrew.

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From Mr A. M. Bartlett
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With regard to the "considerable hassle" of moving heavy luggage into the terminal, would it not have been more sensible to set her husband and luggage down at the setting down point in front of the terminal, where trolleys are readily available, and then for the good lady to have proceeded to the car park?

Concerning the computer failure, machines break down and this is one of the hazards of modern-day technology. I imagine how long you would have to queue if everything was done with pen and paper when checking in some 300 people for a 7.47 flight. I feel Mrs McCabe would be even more exasperated.

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Well done Heathrow. Yours faithfully,
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Indeed the country's second largest manufacturing sector, employing 700,000 people (10 per cent of manufacturing output), has one of the best records for achieving such improvements, due to its excellent industrial relations and the active cooperation of everyone involved.

The Government, while refusing to featherbed the industry with blatant protectionist measures, has acknowledged that this sector of our economy is of crucial importance, and deserves special consideration.

As deputy chairman of an organization dedicated to improving the productivity of our textile and clothing industries, I am convinced that the key to this problem lies in motivating the industrial company to critically examine its own performance and compare it to that of its successful competitors. This lead has to be initiated at board level.

Over 25 years' experience of prompting directors to ask the vital question "Why are we not performing as well as our competitors?", I strongly believe that two ingredients are guaranteed to produce the required motivation.

1. A poor financial result at the end of the year, which will generate awkward questions from shareholders at the annual general meeting. In present trading conditions this is often too late.

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Quite how they found their way into the office remains a mystery, but obviously such savoury documents provide sufficient sustenance. Can this be some new form of industrial espionage? In present circumstances this is often too late.

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Reductions in demand, coupled with record interest rates, unrealistically high exchange rates and nearly 10 per cent inflation are driving many manufacturing companies into closure and bankruptcy. The Government's measures to reduce support to industry are placing an additional strain on them.

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Applications for regional select assistance have also been halted and many of the special industry investment schemes have now been withdrawn.

In addition, government support for industrial research and development continues to be reduced. More generous assistance to export credits is unlikely to offset the lost opportunities created by the continued "wind-down" of the Government's export promotion

LETTERS TO THE EDITOR

Work waiting to be done at Heathrow

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Cost of Inland Revenue press releases

From Mr R. M. Walters

It has been the custom for Inland Revenue to issue press releases in tax matters. I have myself, as a collector but also as a taxpayer, copies of releases by way of a filing list. A recent release, September 30, states a view of the general economic situation within the City. It has now been changed to charge £20 a year for service. The same release states that there is a growing demand for the service.

The increase from zero is a swinging increase to at least £20, but the reason why releases have become a costly part of a professional adviser's tool-kit is the Inland Revenue, instead of the strict word of the legislation, are content to issue statements of fact through these releases, either to anticipate legislative concessions or to state policy statements which have legislation will be in force or have certain matters settled.

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BY THE FINANCIAL EDITOR

Exports under pressure

It was not easy to discern the good news from the not so good yesterday. The main economic indicators present a decidedly mixed bag. Thanks to erratic items the £44m current account surplus recorded for September was not as good as it looked. Whether one goes as far as to say that the figures can only be a forewarning of a sharp deterioration to come is another matter. That case rests on the following argument: the 5 per cent fall in export volume (excluding aircraft) is the first clear evidence that an overvalued pound is finally starting to catch up with us, while a 9 per cent drop in imports merely reflects the peak in industrial destocking. It is almost certainly too early to draw such firm conclusions.

As for average earnings, the August figures, showing an underlying annual rate of increase of 22 per cent, are not comforting. The figures may, moreover, get worse before they improve. But markets are certainly going to be keeping a firm eye on new wage deals as and when they are struck.

Cable and Wireless Obstacles to a sale

Cable and Wireless has duly provided yet another "special case" for the Government as far as the flotation route to denationalization is concerned. On the face of it C and W is the simplest of all: the Government has a uniquely arm's length relationship which means it is merely the owner of 100 per cent of the equity.

Thus C and W's borrowing powers will not be as radically affected as, for example, British Airways by the injection of private

the customers and also some consideration of the precise image of the flotation. This could mean a placing, which ultimately would be purely cosmetic as it would have to involve marketable securities in any case, or some other hybrid.

Finally, the acceptability of this hybrid, currently being pondered by Mr Eric Sharp, C and W's new chairman, and Kleinwort Benson who are acting for the Department of Industry, will be critical in the pricing of the issue. Comparability is difficult. Kokusai Denjin Denwa in Japan is close in terms of products but scandals and price cuttings have depressed its market rating in Tokyo.

AT & T provides a better comparison with its yield of 9.8 per cent, double the Wall Street average. The latter suggests, assuming the international political problems could be solved, that C and W would have to be offered with a yield only a couple of points below that available on long gilts and that, in turn, suggests the discount on the net assets of £226m may be uncomfortably high.

● A sadder reply to an unwanted bid than the one from Laurence Scott, the electric motor group, is hard to imagine. At least it suggests that some directors and their merchant bank advisers, in this case Singer & Friedlander, to becoming chary of putting their names to profit forecasts.

Mining Supplies picked up 27.2 per cent of Laurence Scott in a "damned" bid in May. One wonders whether it need have bothered Scott lost £1.87m in the year to last March. Between April and August inclusive, pretax losses, according to management accounts, rose from £1.2m to £1.7m.

Trading prospects for the rest of the year are poor and it is impossible to identify the bottom of the present recession.

At least the debt equity ratio is only 27 per cent. Quite properly no dividend is promised. Last year the group paid a nominal 1.43p gross. The directors, with one per cent of the shares, plan to keep their holdings. They hope holders of a further 9 per cent will share their faith. They also tell shareholders, influenced by "short-term trading prospects" that 60p a share cash—an option available—is not unreasonable. That looks like good advice.

Northern Engineering The confidence to buy

Few British engineering companies can muster the confidence to make substantial acquisitions at the moment, but Northern Engineering is one. It has invested £14m in the past twelve months in North America buying Ferranti-Packard and Control of International Power Machines.

The emphasis, apart from broadening its transatlantic base at a time when strong sterling makes this particularly attractive, is on electronic systems and this is being pushed forward in a most substantial way now with a £14m purchase of up to 90 per cent of Extel Corporation a privately owned teleprinter manufacturer.

NE will finance the first tranche of this through yesterday's conditional placing of 20 million shares at 52p, an 84 per cent discount to the ruling price, and subsequently find another £4m from its own resources.

For this it is getting a business which has achieved substantial sales growth over the past four years and whose earnings are still moving strongly ahead for around 13½ times earnings.

NE's own profits still seem to be recovering well from last year's set-back caused by the engineering strike and the surgery which became necessary in its switchgear business.

With the switchgear problems now under control, a full workload for its power generation business thanks to new government orders for reactors and fair trading in the mechanical handling area, NE is weathering the recession better than most. The stock market is beginning to see the point—£71p the shares now yield 9.3 per cent on a dividend payment that looks safe which is more than can be said for many in the engineering sector.

Economic notebook

The price of monetarism

The Government's monetary policy will receive its first public scrutiny since this summer's money supply debacle, when Sir Geoffrey Howe appeared before the House of Commons Treasury and Civil Service Committee in 10 days' time.

Not least among the things that committee members will want to know is whether the more rapid underlying money supply growth in recent months means that inflation will, in the Chancellor's view, remain high for some time to come.

Sir Geoffrey will doubtless be reluctant to be pinned down on this point. But for a large body of monetarist economists the answer must surely be "yes".

Some City estimates that money supply (as measured by sterling M3 and adjusted for distortions associated with the "corset") grew by about 14 to 15 per cent on average in 1978 and 1979, with an acceleration in growth to over 16 per cent in the year to the second quarter of 1980.

For that branch of monetarism represented by Professor Alan Walters, the future personal economic adviser to the Prime Minister, the corollary of this growth in the money supply must be a corresponding rise in the money value of national income about two years later. Precisely what this would mean for inflation by the beginning of 1982 will depend on what is happening to real national output at that time.

But unless a quite optimistic view is taken about the speed and extent of the recovery, it is hard to see how the rate of price increases can be running at anything less than the low teens, on such a monetarist interpretation (compared with an annual rate of inflation of about 20 per cent in the early months of this year).

This would be an appalling outcome. It is quite probable that the fall in the nation's output during 1980 and 1981 could amount to 4 or 5 or even 6 per cent. Unemployment could more than double between 1979 and the end of 1981 to between 2½ and 3 million.

What is at issue is that for every percentage point reduction achieved in the inflation rate, there would also have been almost a 1 percentage point drop in national output and an increase of 200,000 in unemployment.

In fact, it is possible, on a Keynesian "cost-push" analysis of inflation, to take a somewhat more optimistic view about future price increases. Wage demands have already been falling in the face of rising unemployment.

Pay rises

If pay rises in the new wage round are kept to within a tolerable margin of 10 per cent and the rise in the oil price is contained by the world economic recession—and sterling remains firm on the foreign exchange markets—it is quite possible that inflation could be back virtually into single figures by the end of 1981.

In this case, the cost to the "real" economy of the inflation would look a little less disproportionate. Even so, it could mean that every 1 percentage point fall in inflation was achieved at the price of a 1 percentage point decline in national output and a rise in unemployment well in excess of 100,000.

The trade-off, in terms of unemployment and lost output, would still be a good deal more expensive than is often supposed. For example, it has been suggested that, on the basis of past experience, every 1 percentage point increase in unemployment would cost £240,000 in lost output.

In practice, the trade-off to day looks like being very different and may be that there are "diminishing returns" in

How 'footprints' will change television

If technological achievement were the sole requirement for the development of British broadcasting during the next decade viewers might find themselves with a choice of 55 television channels to watch, beamed by satellite from all over Europe.

Though this is unlikely to happen on such a scale as to overwhelm one might think of the prospect, the signs are that broadcasting is entering probably the most fluid era of its brief history.

How rapidly television viewing choice can expand is shown by the fact that cable television systems give a selection of up to 15 different channels—including Britain's Thames and Southern.

But it is the satellite system which would bring an explosion of television reception throughout Europe. By mutual agreement, countries have been allocated five channels each in this system, which uses satellites positioned over the equator in geostationary orbit.

The focus of reception from each of these channels lies, naturally enough, in the countries from which they originate, but the signals will spread outside this area to form what is known as a "footprint" over other countries.

The reception of the channels would require a dish-shaped antenna and frequency converter, increasing in size as the signal grows weaker. As the technology of receiving satellite broadcasts advances, so the "footprints" cast by the various European channels grow larger.

Just how dramatic this widening of the potential television coverage of Europe could be from the point of view of Britain is likely to become clear in a few months with the delivery, from Japan, of a new dish aerial with two horns, which would receive signals from both the satellite positions destined to cover Europe.

This would widen the scope for British viewers to receive transmissions from Western Europe. It already seems clear that British viewers will be able to receive programmes from many other countries, dubbed in English.

The Home Office has asked a number of interested bodies for their views and is to publish a discussion document at the end of the year. It is likely to receive a very lively response. The industry is likely to be wholeheartedly behind the idea—and quite understandably, bearing in mind that each satellite



Three-metre dish antennae and frequency converters such as this could be used to receive satellite signals for cable television viewers in Britain. The cost of the system is about £3,000, but prices are likely to fall as production increases.

would involve a project costing about £100m and providing much needed work for the aerospace and electronics sectors.

The world of broadcasting itself is in two minds over the issue. The Independent Broadcasting Authority is less than keen at present, as might be expected when the authority is already heavily engaged in the task of awarding the new commercial television franchises, considering the possibility of broadcast television and in the process of setting up the Fourth Channel.

The BBC is much more enthusiastic, largely because Mr Robin Scott, its deputy managing director for television, who is now retiring, has argued vociferously that satellites could offer a new source of revenue for the beleaguered corporation.

Mr Scott's idea is that the BBC should broadcast via satellite a scrambled signal which would be decoded by a machine rented from the corporation and placed on the television set. Such a system already works profitably and well in America. The Home Office will have to reconcile this divergence of views with the prospect of the

continent moving rapidly ahead in Britain in the race to make satellites operational over the next few years. France, Germany, Italy, Luxembourg, Switzerland, and the Nordic countries have direct broadcast satellite projects under way, either individually or jointly. The first to enter space is likely to be a joint venture between the French and Germans which is due to be launched in 1983 or 1984.

Two reasons suggest themselves for a possibly more rapid development of satellite systems on the Continent than in Britain. Cable television networks, which serve only two million people in the United Kingdom, are much more common elsewhere in Europe. These remove the need for individual aerials and frequency converters, which could double the cost of the system at half the price of a colour television set.

Of equal significance is the fact that the television advertising industry in Europe largely because of government restrictions on the advertising industry is less developed in terms of gross national product spent on television is significantly lower in most European countries than in Great Britain, which has a well established commercial network.

This shortfall in potential advertising gives the continental broadcasting systems the scope for expansion from which to finance the necessary expensive job of putting a satellite into space and producing and marketing its output.

Such commercial satellite broadcasting from Britain would have to be paid for out of what seems to be a finite pool of advertising revenue which may have already reached its limits.

The alternative would be to opt for the BBC's solution of cost to consumption certainly has attractions, but the eventual decision is likely to be difficult and prolonged.

As commercial television enters its period of maturing over which stations are fit to continue broadcasting through the 1980s, and the BBC sweats over its budgetary problems, it might be thought that for Britain's broadcasters the present is more pressing than the future. The latest technology seems to promise, however, that the next 10 years will irrevocably change the face of television.

David Hewson

Aluminium boom that will by-pass Britain

Edward Townsend

Aluminium smelting throughout the world is due to expand on a scale that should make the big companies wealthier than ever before by the end of the decade. But Britain and Europe will almost certainly miss the biggest developments passing them by because of their high energy costs.

There appears to be a consensus among producers that after years of grappling with continuous energy crises and insufficient profitability they are at last in a position to generate large sums of cash for development and, what is more important, to achieve a better than adequate rate of return.

In London last week Mr Bill Hobbs, vice-president and chief financial officer of the California-based Kaiser Aluminium and Chemical Corporation, said that he calculated that the industry in the non-communist world has the financial capability to support a \$140,000m (£58,300m) capital budget for announced expansion in the next three years and for further growth to the end of the decade.

World aluminium smelting capacity is forecast to grow at about 4 per cent a year in the 1980s from 18 million tonnes to almost 25 million tonnes and demand, says Kaiser, believes that it is reasonable to expect a 15 per cent return on funds invested in the business.

Kaiser's estimate is that \$35,000m of new long-term debt will be needed by the industry to help to finance the expansion of the 1980s, a significant increase on the industry's outstanding debt of about \$8,000m.

Also, the world industry will have to refinance about \$10,000m of existing debt during the 1980s, bringing the total it will need from the capital markets to \$45,000m (£18,750m). All these figures are based on the assumption that international inflation will rise by 12 per cent a year in the 1980s, slightly lower than that experienced throughout the last decade.

The effect on the industry's costs of such an assumption is dramatic. At current prices it is estimated that a new "greenfield" aluminium project, including a new bauxite mine, alumina refinery, a smelter with an annual capacity of 300,000 tonnes and a fabricating plant to use the new metal would cost \$2,200m (£925m) and that does not include development of the power source.

Mr Hobbs believes that three quarters of the expansion in the 1980s will be in "greenfield" developments, with the remainder less costly additions to existing capacity.

The one factor that makes the aluminium producers confident of raising the enormous sums required is that prices will at last provide a respectable rate of return, since world demand will almost certainly outstrip supply in the next few years.

World prices last year reached levels that were generally considered to be sufficient to justify new investment and most observers believe that in the next decade aluminium's traditional competitors—steel and copper—will increase in price at a faster rate.

But, if the prospects for the industry as a whole are bullish, there is scant comfort in this for Britain and the rest of Europe—or, for that matter, America. The fact is that energy sources will be the major determinant in the siting of new smelters and much of the projected \$140,000m will be spent in areas where coal or hydroelectric power is cheaper and readily available. These include Australia, New Zealand and other Pacific rim countries and Central and South America.

High energy costs in Britain have blocked further smelter investment for the foreseeable future. Alcan of Canada is one of the few big companies investing in Europe, with a 40 per cent interest in an alumina plant being built in Ireland. But it also believes that at least half of the new smelters to be constructed in the next five years will be in Australia, Canada, and Brazil.

Australia, which has almost a third of the world's bauxite reserves, is fast becoming the most attractive country for aluminium expansion projects and most of them will be joint ventures. Six smelters will be built there by 1985, supplied with cheap electricity from a series of new coal-fired power stations.

Business Diary: Milk teeth • Klein's unforeseen Nobel

Most arguments between the "wets" in the Cabinet and their opponents are about monetary policy. A rather different dispute which surfaced yesterday concerned just with money, in the form of the £1,750m milk industry.

Peter Walker, Minister of Agriculture, is trying to fend off an attempt supported by John Nott, Secretary of State for Trade, to refer milk distribution to the Monopolies and Mergers Commission. Although the two ministers are both farmers, their economic thinking represents opposite ends of the policy spectrum.

Walker, apostle of the managed market, has commissioned his own survey of milk costs and profits from accountants under his name. The second volume is almost complete. "It would be strange to start another inquiry in the middle of the Bamber inquiry," he said.

He poured scorn at the usual lunch of the Dairy Trade Federation on reports about milk by the Consumers' Association. The association has led the campaign for a commission inquiry on the grounds that the present concentration and control of the milk business is against the public interest and has made the bottled milk cost more than it should.

"You have suffered more than any other industry I know from a succession of inquiries and probes and so on," Walker told the members of the federation. He heaped praise on them for their willing cooperation with the Bamber inquiry. He was also careful to refer to himself as "the sponsoring minister of your industry."

Laurence Klein (right) is an unassuming, jovial, academic, whose small office at the Wharton School of Business at the University of Pennsylvania is crisscrossed with reports and documents.

Economic forecasters have not been getting it right recently, so Klein probably would not have forecast receiving the Nobel economics prize. His advisers at Wharton, however, have long thought that he deserved it.

He is the father of econometrics and his use of computer systems to forecast economic developments have revolutionized the forecasting game. Some former students have gone on to use Klein systems to develop profitable forecasting companies.



At Wharton, Klein developed a sophisticated forecasting programme for the United States and produced highly regarded quarterly reports.



Dr Heinrich Treichl was in London yesterday for an anniversary connected with Austria's famous bank, Creditanstalt—not that of the 1931 collapse which signalled the start of the depression, but the 150th anniversary of the bank's founding decree by Kaiser Franz Josef.

Treichl (67) was a lad when the bank folded. Today he is its chairman and was in London to celebrate the anniversary by converting the Creditanstalt representative office into a full branch, the bank's first outside Austria.

Back home, Creditanstalt accounts for one in 10 of the country's industrial concerns and handles two fifths of all export finance. Here it will

But not content with just analysing the United States, Klein broadened his horizons to develop what became known as "Project Link", a full-scale econometric forecasting model of the global economy.

It was absorbed in econometrics that he has spurned many lucrative offers to leave Pennsylvania. In the 1976 election campaign he was the chief economic adviser to Jimmy Carter, but would not go to the White House once Carter won.

In 1976 he stressed to Carter that it was vital to pay attention to supply as well as to demand management. President Carter did not. Is this why the United States now suffers virulent inflation and severe recession?

deal in export finance, foreign currency, certificates of deposit and Eurocurrency loans, to name but a few.

Of the bank's success over the years—1931 excepted—Treichl said yesterday that part was due to the fact "that we are not rude to people at lunch, because undoubtedly we shall meet them at dinner in such a small country".

Treichl, chairman for 10 years with another year to go, is president of his country's banking association and vice-chairman of the Vienna stock exchange.

Creditanstalt was originally owned by the Austrian Rothschilds. It was nationalized in 1946 and then denationalized 10 years later by the socialist government that appointed Treichl.

Walt Disney is backing Biggles. The world's largest film distributors have just promised a £4.5m loan and exclusive rights to a new film featuring the flying ace being produced jointly by a new United Kingdom company Yellowbill Productions, headed by Robert Sigmund Organization.

The loan will now enable Yellowbill—which, as Business Diary has reported, flew into the turbulent world of film financing last year after Inland Revenue approval allowed film losses to be offset against tax—to go to the City for a further £4.5m.

But Yellowbill will be knocking not only on the doors of investment trusts and insurance companies; the company hopes to ask industrial companies for cash.

It might seem odd that big industrialists might enter the glamorous film world as the recession is eating away at profits, but Yellowbill chairman Adrian Scrope says: "We are asking anyone with a reasonable corporate tax liability. Some companies might welcome the chance to offset the investment against the tax bill."

Biggles should move on to the film set next summer.

No marks to British Leptard for their promotional ballpoint pens bearing a Union Jack motif and the slogan "Drive the Flag". A glance at the end of the pen shows that it is stamped "Shaeffer—made in USA".

Ross Davies



London Merchant Securities Limited

Salient points from Chairman's Review for the year ended 31st March 1980

Net profit after tax attributable to LMS improved to £5.7 million (1979—£5.5 million), despite an increase of £2 million in the tax charge.

Net rental income from investment properties rose by over 27% to £4.1 million and is estimated to reach £8.5 million in the year to March 1983.

Current value of property and other investments is considered to be greatly in excess of book figure.

Much of the group's increasing revenue will be absorbed by expanding property and energy development over the next three years; thereafter, substantial benefits are expected.

1 for 3 capitalisation issue on total issued share capital.

Final dividend of 0.8p per ordinary share bringing the total for the year to 1.2p compared with 1p last year.

Report and accounts available from the Secretary, 33 Robert Adam Street, London, W1M 5AA.

FINANCIAL NEWS

Stock markets

Trade figures encourage sharp price rises

An apparently impressive set of trade figures added further strength to an already firm stock market yesterday.

Prices continued to show sharp rises on the back of good, although selective, buying by the major institutions. This was in sharp contrast to early business when prices exhibited weakness as a placing of 20m Northern Engineering shares was made at 27p. The placing was made to finance the acquisition of 90 per cent of the Exel Corp of Delaware and saw NEI's shares fall 1p to 57p.

However, the resumption of trade in the gilt market, which saw the Government Broker sell the remaining £350m of Exchequer 12 per cent 1998 "A" at 250, gave the rest of the market the confidence it needed.

Buyers were soon on the scene once again as hopes rose that a cut in MLR might be in the wind. Interest remained strong after hours following the trade figures, which revealed a surplus of £44m. But jobbers described the buying as cautious with investors unwilling to chase prices too high.

In the event, the FT Index, which had risen to 37, ahead of the figures, surged ahead after hours to close 8.1 up at 485.5. Meanwhile, gilt which had advanced by 1/4 immediately following the figures, later gave up a similar amount as the digestion resulting from the sell off of the "tap" began to tell. Nevertheless, prices in long bonds rose on the day of £1 to £1, while at the shorter end, they closed virtually unchanged.

Jobbers appeared to be taking a low key view of today's money supply, and seemed more concerned over the new "tap" announced last week, which begins dealings today.

Leading industrials recovered from an early weakness following news of a line of 250,000 shares of ICI drifting through the

Shares of RTZ breathed a sigh of relief yesterday and rose 23p to 460p. This followed the placing of the remaining £17m of convertible loan stock which was part of the group's £123m rights issue announced last month.

market. But a home was eventually found and the price recovered a 4p fall to close 2p up on the day at 332p. Elsewhere, gains were seen in Becthams 3p to 147p, Glaxo 4p to 230p, Courtaulds 3p to 64p, Unilever 2p to 385p, Bowater 4p to 166p and Rank Org 3p to 169p.

Shares of Lontrin Group were suspended pending the outcome of talks that might lead to a bid. Engineering shares showed further useful gains in the wake of the acceptance by union leaders of an 8.2 per cent pay award. Hawker Siddeley, with figures out next week, picked up 6p to 234p although Lucas shed 5p to 189p for a similar reason. But Laird Group added 2p to 103p as did Tubes at 226p while Babcock Int firmed 1p to 96p. Shares of Yarrow jumped another 10p to 238p following the Government's compensation terms, while Vosper added 15p to 35p and Vickers 2p to 136p in sympathy. The interim profits setback wiped 4p from Lee Cooper at 151p and 6p from E. Fogarty at 60p while Booth International shed 3p to 34p on announcing its first-half loss. In addition, Gramplan Holdings slipped 1p to 47p and Brith slipped 2p to 61p. But the mar-

ket gave a warm reception to the full-year figures and scrip from Fairview Estates up 6p to 312p. Others to find favour included Arcoelectric 1p to 15p, Marshall's Universal 8p to 56p and John Mowlem 2p to 109p.

Recent trading statements saw Time Products retreat another 3p to 66p while in foods Assoc Biscuits slipped 1p to 64p. However, still in foods, a large buyer pushed J Sainsbury up 35p to 330p.

Speculative attention was again directed to Royal Bank of Scotland, up 4p to 112p and Barker & Dobson, 3p to 17p, while commented 6p to E. Paradise at 63p, 4p to S. Lyles at 45p, and 6p to Crystallite at 58p.

Oils were again in dazzling form, spurred on by reports that the Iranians were laying mines in the Gulf of Hormuz. Markets like BP half rose 2p to 434p along with Shell 14p to 444p, Ultramar 10p to 458p, Lasso 13p 752p, Barmah 7p to

191p and Tricentrol 15p to 382p. Second liners too, were not to be missed out with Pict Petroleum leading the way up 35p to 383p. Rises were also seen in Clyde Petroleum up 15p to 689p and Canadeca 10p to 252p.

Gold shares appeared mixed but tins had a very hit 10p to 252p. Fairview Estates is foremost among housebuilders that have turned themselves as quickly as possible into property companies. The figures for the year, though widely expected, were good enough to lift the shares 6p to 312p.

Turnover in the year to June 30 rose from £27.3m to £32.2m and rental income and residential development profits were also up £2.1m to £10.3m, impressive even if it did include £597,000 from a sale of land thought to hold less growth potential than sites currently available.

Tax fell by £2,000 to £534,000 to leave net profits at £3,76m against £3.64m. The final dividend has been raised to 8.5p per share - a gross total for the year of 16.9p against 11.3p. Earnings a share were 90.9p compared with 61.1p.

Equally encouraging is the news that net asset value a share is 42p against 21p after a professional revaluation. To make the shares easier to deal in the capital is being reorganized through the mechanism of a 14-for-one scrip issue and the consolidation of five 10p shares into one share of 50p each.

The pre-tax profit of £10.3m includes a net rental income of £1.4m. Interest charged to profit and loss was £4m, so the group clearly did well from housebuilding. However, house sales, Mr D. Cope, the chairman, reports, became more difficult in the second half and sale prices rose more slowly than building costs.

Fairview Estates up £3m for year

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UK loss leads to first-half fall at Lee Cooper

By Catherine Gumb
Recession has halted the growth record at jeans manufacturer and distributor Lee Cooper.

With a much tighter and tougher market in Britain, Lee Cooper's domestic operations made losses in the first half to June. Profits on overseas operations, though less severely

affected by the recession, fared from the strong performance into sterling.

Borrowings and interest have risen considerably helped to push interim profits down by 3 per cent. Sales rose by 10 per cent to £44.3m, but were slashed. The inter-division had been marginally 1.5p gross.

Second half profits were expected to be similar to the first, suggesting a result of about £3.2m against 1979's £3.22m. Lee Cooper is now using jeans manufacturing in France and Belgium and fourth or fifth in British retailing - its leadership of the core UK market in order to secure a European base.

Cloth has to be ordered months ahead of jeans into the shops, and Lee is ordering on the basis of a steady demand until the late 1981. The shares fell 5p

to 381.00p. Mr R. L. the chairman, said that profit at £1.86m compared with £1.95m, was satisfactory though trading conditions would have equalled profits for the year. The payment of the dividend has been until the full year result.

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Marshall's halved at inter

Marshall's Universal, the motor vehicle-to-paper distributor, saw pre-tax profits halved at the interim stage because of interest rates and losses on some garage before disposal. Pretax profit fell from £1.4m to £705,000 with turnover rising from £26.5m to £29.9m in the six months to June 30. Interest payable jumped from £538,000

to £981,000. Mr R. L. the chairman, said that profit at £1.86m compared with £1.95m, was satisfactory though trading conditions would have equalled profits for the year. The payment of the dividend has been until the full year result.

Borthwick speeds sales of minority interests

The sale of its minority stake in Stanbroke Pastoral for £5.36m will ease the cash position at Stanbroke, Britain's largest meat trader. In March the group reported a loss of £992,000 for the first six months' earnings compared with pre-tax profits of £5.6m for the previous year. Borthwick, in the 12 months to March were down 8 per cent from £107m to £99m.

Dr Bullen said that because of the year's tough trading the group had decided to speed up its policy of selling minority interests.

Its subsidiary Thomas Borthwick (Australasia) sold its 36 per cent stake in Stanbroke Pastoral to the Australian Mutual Provident, the majority shareholder in Stanbroke.

Ellis and Goldstein down by one third

Ellis and Goldstein reports turnover for the half year to July 31 at £18.82m against £19m, and pretax profit dropped by one third to £408,000. Earnings a share slipped from 1.84p to 1.23p. The interim dividend is cut from 1.43p to 1.2p gross as a matter of prudence, and the

decision "contains no indication for the final", the board says.

The first half result shows £49,000 of costs incurred in closing the knitwear making unit at Rugby and the second half will see a rationalization of production in the North East, with costs in the order of £200,000.

Touche Ross links with Swiss group

Touche Ross International has been joined by the Swiss Neutro Group which will take over the operation of Touche Ross in both Zurich and Geneva.

Mr Douglas Baker, chairman of Touche Ross International, said: "This agreement strengthens our service capacity in Switzerland and throughout Europe. The addition of Neutra with its prestigious client list will significantly enhance our existing European organization."

Neutra, founded in 1931, is one of the largest Swiss audit firms with offices throughout the country.

Mowlem on target with 7pc increase

By Rosemary Unsworth
John Mowlem, the construction-to-engineering group, saw a profits improvement in the first half despite pressure on margins. The optimism expressed at the time of publication of the 1979 accounts that the group would produce a similar result to that of last year has also been repeated.

Pretax profits rose by 7 per cent from £2.3m to £2.5m and turnover increased by 24 per cent to £110m in the six months to June 30. Extraordinary profit of £1.09m was made on the sale of an investment property. This will help to offset the finance costs of the group's American acquisition, Softest of Illinois. Mr Philip Beck, the chairman, said that although profits were up on the same period last year, they had been constrained by competitive pressure in United Kingdom civil engineering, and overseas which had resulted in a lowering of margins.

The interim dividend has been increased to 2.7p gross and the chairman said that 1980 results would be broadly similar to 1979's £5.7m pretax profit. H. J. Baldwin: Turnover for year to April 30, £2.31m (£2.42m), EPS 26.14p (67.55p). 1979 results exclude earnings arising in India and are therefore not comparable. Dividend 18p.

Briefly

Lontrin Group: Board has started preliminary discussions, which may lead to proposals for a substantial acquisition resulting in a change of control of the company. Temporary suspension of dealings under rule 163 (2).

Lawrie Plantation Holdings: Pretax profit for 1979 £1.98m (£3.72m). EPS 26.14p (67.55p). 1979 results exclude earnings arising in India and are therefore not comparable. Dividend 18p.

Securities Trust of Scotland: Gross income for half year to September 30, £2.04m (£1.66m). Pretax profit £1.71m (£1.35m). EPS 2.7p (2.11p). Interim 2.7p gross (same). Board expects to recommend a total distribution for full year of not less than last year 6.85p.

H. J. Baldwin: Turnover for year to April 30, £2.31m (£2.42m), EPS 26.14p (67.55p). 1979 results exclude earnings arising in India and are therefore not comparable. Dividend 18p.

Arcoelectric (Holdings): Sales for six months to June 30 £2.37m (£1.66m). EPS 26.14p (67.55p). 1979 results exclude earnings arising in India and are therefore not comparable. Dividend 18p.

H. J. Baldwin: Turnover for year to April 30, £2.31m (£2.42m), EPS 26.14p (67.55p). 1979 results exclude earnings arising in India and are therefore not comparable. Dividend 18p.

Receiver for Talbex subsidiary

By Philip Robinson
Talbex, the loss-making industrial holding company in which Arab interests sold a 29 per cent stake last year, has asked its bankers to appoint a receiver to Liverpool-based soaps and detergents subsidiary Walker Lunt, and announced three board changes.

Lunt, which is losing £900,000 at the trading level, has a total debt of £1.7m. About £700,000 is owed to unsecured creditors and £1m to the Midland and National Westminster banks. It was unclear last night whether the Talbex group would be liable for any debt of its subsidiary. Mr David Green, who took over as chairman in

May, said: "Talbex has no funds. It is a group of companies and if we were liable we would have to rob the other companies to pay off Walker Lunt. I am asking for advice from our lawyers."

The Talbex group could be liable for Lunt debts if it had given any undertakings or guarantees to bankers on Lunt loans. That is being sorted out by accountants Touche Ross, who are conducting an independent audit of the company and will move in as receivers today at the Merseyside factory which employs 110 people.

In a statement Mr Green said that, unaided results of the

Rising gold price lifts Gencor in third quarter

By Michael Prest
Mining Correspondent
Gencor, General Mining and Union Corporation under their combined guise, has reported further quarterly profit advances in the wake of the rise in the price of gold over the three months to the end of September.

But the company also says that costs in its 11 gold mines are rising rapidly. The quarter saw increases in workers' pay and what the company describes as an "abnormal increase" in costs of stores. Nevertheless, part of the extra spending is attributable to re-opening sections of crushed, mineral-rich, Lleslie and Winkellhak. Grootevlei is also modernizing its reduction plant.

Esso net profit 20 pc down on preceding half

Esso Petroleum's pre-tax profit leapt to £361.6m in the first half of the year from £184.9m in the corresponding six months last year.

But after tax, which is mainly deferred, the £143.9m earned to June 30 was 20 per cent down on the £181.7m earned in the second half of last year. Moreover, current cost accounting conventions, including the strip-out of £100m of unrealized stock profits, would have left net profits at only £33m.

Recession and rising operating costs, coupled with a worldwide surplus of oil before the impact of the Iranian war, pushed prices down, intensifying pressure on trading margins.

Domestic sales are running 15 per cent below 1979 levels, primarily as a result of a fall in demand for fuel oil for electricity generation and other industrial uses.

But Esso is continuing with its investment programme. Spending exceeded £210m in the first six months including a £50m increase to £185m in spending on the North Sea and refining, marketing and transport investment rose by 40 per cent compared with the same period last year.

Mr Forster says his company is hopeful of receiving sufficient acreage for exploration in the North Sea under the seventh round of licensing, which applications have been submitted for its financial and managerial strengths to be used fully.

Wheal Jane back in fighting form

In the annals of corporate survival Cornish tin mining must rank as among the most dogged. After what looked uncomfortably like a knockout blow two years ago, Wheal Jane, perhaps the industry's most celebrated name, shows every sign of returning to the fight.

The mine now trades under the name of Carnon Consolidated Tin Mines, 95 per cent of which is owned by Anglo Tin Inc, with the remainder in the hands of SPO Minerals, the company recently launched by Mr Robert Sprinkel, the American entrepreneur, who deserves much of the credit for keeping the idea of the mine alive when Consolidated Gold Fields abandoned it.

Carnon recently raised its capitalization by £5m to £15m, and SPO Minerals also increased its holding to maintain the 5 per cent stake. Carnon incorporates the shaft-related assets of the neighbouring Mount Wellington mine.

When it was decided in July last year to go ahead with refurbishing the mine, two contractors were hired: Thyssen (Great Britain) took on the underground work, while the expansion of the mill was done by William Press. A vital consequence of handling work to

outsiders was that the new management had time to negotiate a fresh set of working practices.

The company now has a post-entirety shop agreement with the Transport and General Workers Union. Part of the agreement is a single wage structure. Mr John Foster, the union's district officer, is satisfied with the arrangement. He points out that underground workers can earn £200 a week, in an area where unemployment is three times the national average.

Both he and Mr Patrick Lawlor, Carnon's managing director, who is also an RTZ executive, agree that a far better working atmosphere prevails. Mr Brian Calver, the mine's general manager, says the improvement has brought a sharp increase in productivity. The total workforce is 314, of whom about 180 are underground. When full production starts on January 1, 1981, it will be 350, of whom some 210 will be miners. When the mine closed in May, 1978, Cons Gold employed about 490 people.

Such changes have meant that capital spending has overrun the projected £9m by £1m. But Mr Lawlor refuses to be drawn on when he thinks Wheal Jane will be profitable. Since Mr Calver is already talking of moving through to line up with Mount Wellington, suggesting that reserves are much richer than the 2.4m oz published. RTZ is not treating Wheal Jane as a short-term proposition. But, for all the skill and determination of RTZ and the Cornish Jacks, Wheal Jane, because of its treacherous geology, is still a marginal mine.

Michael Prest

Already, however, the mine is producing at a rate of about 260,000 tonnes of ore treated a year. The annual rate for the first 104 milling days to the end of September was 248,000 tonnes. In 1973, its peak year, Wheal Jane milled 206,000 tonnes. Mr Calver's target is 280,000 tonnes.

Technical improvements have been crucial. An underground crusher has been installed, better drilling and transport machinery put underground, the method of feeding ore to the mill changed and the capacity of the mill itself enlarged. A new mining method—sub level open stoping—has been introduced.

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Michael Prest

Norsk turnover rises, but difficulties loom

Despite its 55 per cent increase in turnover this year to Kroner 14,099m (£1,401m), Norsk Hydro, the Norwegian chemicals and energy company, faces difficulties. Mr Odd Narud, the president, said in London yesterday.

This year the company had been hit by an unexpected tax bill in 1981 the change on its North Sea operations could be much higher. Over the last five years Norsk has borrowed Kr1,000m, and long-term debt still stands at about Kr2,000m.

In addition, the considerable increase in oil prices this year, and rises in aluminium and fertilizer prices, may not be repeated to the same extent in 1981. Norsk has also seen a reduction from the Frigg field reach its peak, while costs were kept down by a wage freeze.

But Mr Narud stressed that despite these problems he did not expect profits over the next few years to fall below those achieved in 1980. He hoped that the debt could be paid off at about Kr1,000m a year to bring debt and equity financing more into balance.

The impact of North Sea taxation would depend on oil prices and on whether new oil and gas fields could be brought into operation. On the fertilizer side,

International

the company remains the world's biggest exporter of urea, and the acquisition of the Dutch company Nederlandse Stikstof (Menschappij) had added Kr1,000m a year to group turnover.

News Corporation
Net profits of News Corporation rose from \$521.3m to \$526.2m (about £13m) in the year to June 30 on turnover up from \$522.2m to \$528.1m.

Extraordinary profits of \$536.3m came mainly from the sale of interests in television stations in Wollongong and Adelaide.

The inclusion of a 50 per cent share in the profits of its Asset Transfers Industries subsidiary and from its Sydney television station also benefited profits, directors said.

Chase improves
Chase Manhattan Corporation yesterday reported third quarter consolidated income before securities transactions of \$96.5m (£40.2m), an increase of 19 per cent from the third quarter of 1979.

UK TRADE

August trade figures seasonally adjusted and corrected on a balance of payments basis, for

	Visible Exports	Imports
1979 Q4	-785	11,107
1979 Q3	-822	11,026
Q2	-801	11,013
Q1	-821	11,112
1980 March	-126	3,366
April	-308	3,679
May	-261	3,844
June	-261	3,970
July	-261	3,970
Aug	-261	3,970

(1979=100) Terms of trade: Volume index, import price index, export price index

	1979	1980
Q4	121.5	112.6
Q3	125.5	108.7
Q2	125.5	108.7
Q1	122.5	113.9
1979 Q4	122.5	113.9
Q3	122.5	113.9
Q2	122.5	113.9
Q1	122.5	113.9
1980 Q4	122.5	113.9
Q3	122.5	113.9
Q2	122.5	113.9
Q1	122.5	113.9
1980 Q4	122.5	113.9
Q3	122.5	113.9
Q2	122.5	113.9
Q1	122.5	113.9

% change Q2/79

Average earnings

Index numbers for average earnings of employees in all industries and services seasonally adjusted covered by the monthly earnings inquiry released by the Department of Employment.

(1) Own earnings (2) New earnings (3) Own earnings (4) New earnings

1979 Q4 385.2 154.1 14.0

Sept 384.8 153.9 -1.1

Oct 401.6 158.7 15.4

Nov 408.3 162.1 26.2

Dec 417.0 164.5 37.9

1980 Jan 415.9 164.2 15.8

Feb 422.2 165.0 16.5

March 435.5 175.3 23.0

April 439.9 175.3 23.0

May 441.7 177.0 24.7

June 458.9 182.3 22.8

July 462.1 182.3 21.2

Aug 465.2 187.5 23.0

M. J. H. Nightingale & Co. Limited

27/28 Loyal Lane London EC3R 8EB Telephone 01-621
The Over-the-Counter Market

1979/80	Company	Price	Change	Dividend	Yield
99	42 Akersprung Group	42nd	-	6.7	

MARKET REPORTS

Commodities

Coffee - Arabica futures, 11 months, 25.50; 24 months, 25.50; 36 months, 25.50. Robusta futures, 11 months, 25.50; 24 months, 25.50; 36 months, 25.50.

Wheat - Hard red winter, 11 months, 25.50; 24 months, 25.50; 36 months, 25.50.

Barley - 11 months, 25.50; 24 months, 25.50; 36 months, 25.50.

Maize - 11 months, 25.50; 24 months, 25.50; 36 months, 25.50.

Soybeans - 11 months, 25.50; 24 months, 25.50; 36 months, 25.50.

Oilseeds - 11 months, 25.50; 24 months, 25.50; 36 months, 25.50.

Grains - 11 months, 25.50; 24 months, 25.50; 36 months, 25.50.

Metals - 11 months, 25.50; 24 months, 25.50; 36 months, 25.50.

Energy - 11 months, 25.50; 24 months, 25.50; 36 months, 25.50.

Softwood - 11 months, 25.50; 24 months, 25.50; 36 months, 25.50.

Hardwood - 11 months, 25.50; 24 months, 25.50; 36 months, 25.50.

Textiles - 11 months, 25.50; 24 months, 25.50; 36 months, 25.50.

Leather - 11 months, 25.50; 24 months, 25.50; 36 months, 25.50.

Foodstuffs - 11 months, 25.50; 24 months, 25.50; 36 months, 25.50.

Chemicals - 11 months, 25.50; 24 months, 25.50; 36 months, 25.50.

Pharmaceuticals - 11 months, 25.50; 24 months, 25.50; 36 months, 25.50.

Medical Equipment - 11 months, 25.50; 24 months, 25.50; 36 months, 25.50.

Health Services - 11 months, 25.50; 24 months, 25.50; 36 months, 25.50.

Education - 11 months, 25.50; 24 months, 25.50; 36 months, 25.50.

Transportation - 11 months, 25.50; 24 months, 25.50; 36 months, 25.50.

Real Estate - 11 months, 25.50; 24 months, 25.50; 36 months, 25.50.

Insurance - 11 months, 25.50; 24 months, 25.50; 36 months, 25.50.

Financial Services - 11 months, 25.50; 24 months, 25.50; 36 months, 25.50.

Technology - 11 months, 25.50; 24 months, 25.50; 36 months, 25.50.

Telecommunications - 11 months, 25.50; 24 months, 25.50; 36 months, 25.50.

Utilities - 11 months, 25.50; 24 months, 25.50; 36 months, 25.50.

Energy - 11 months, 25.50; 24 months, 25.50; 36 months, 25.50.

Transportation - 11 months, 25.50; 24 months, 25.50; 36 months, 25.50.

Real Estate - 11 months, 25.50; 24 months, 25.50; 36 months, 25.50.

Insurance - 11 months, 25.50; 24 months, 25.50; 36 months, 25.50.

Financial Services - 11 months, 25.50; 24 months, 25.50; 36 months, 25.50.

Technology - 11 months, 25.50; 24 months, 25.50; 36 months, 25.50.

Telecommunications - 11 months, 25.50; 24 months, 25.50; 36 months, 25.50.

Utilities - 11 months, 25.50; 24 months, 25.50; 36 months, 25.50.

Philippines
sees sugar
exports rise

The Philippines expects to earn US\$800m (£330m) from its sugar exports this year, three times more than last year.

Mr. Roberto Benedicto, Philippine Sugar Commission chairman, made the projection based on the actual sugar exports shipped to foreign buyers, the English language *Daily Express* reported.

Mr. Benedicto indicated that out of the 1.7m tons of sugar to be shipped this year, about 1.3m tons worth more than \$600m had been shipped.

Based on central bank statistics, sugar, minerals and coconut had remained the Philippines' top three dollar earners.

Mr. Benedicto also disclosed that about 500,000 tons of the country's sugar output of 2.5m tons for 1980-81 had already been sold on a long-term basis.

Discount
market

The feature of money markets on the day of the mid-month make-up yesterday was the high levels scaled by interbank rates as the pressure to secure reserve assets of funds.

Rates, up to 200 per cent, were heard, and deals as high as 150 per cent were certainly noted, though much of the business would have been considerably further down the scale.

Sterling: Spot and Forward

Market rates (pence per £100) October 15

Country	Rate
New York	22.485-27.00
London	22.485-27.00
Amsterdam	22.485-27.00
Brussels	22.485-27.00
Frankfurt	22.485-27.00
Paris	22.485-27.00
Madrid	22.485-27.00
Barcelona	22.485-27.00
Geneva	22.485-27.00
Zurich	22.485-27.00

Effective exchange rate compared to December 31, 1971, was 76.9%, up 0.2%.

Indices

Rank of Morgan England Guaranty Index Changes

Index	Change
100	-0.1
100	-0.1
100	-0.1
100	-0.1
100	-0.1
100	-0.1
100	-0.1
100	-0.1
100	-0.1
100	-0.1

Based on trade weighted changes from Washington agreement.

Bank of England Index 100.

EMS Currency Rates

ECU currency exchange rate against central bank adjusted rate

Country	Rate
Belgium	36.787-40.737
Denmark	13.76-13.76
Germany	2.4838-2.4838
France	5.476-5.476
Greece	166.366-166.366
Italy	2.3636-2.3636
Netherlands	3.6036-3.6036
Portugal	200.48-200.48
Spain	166.366-166.366
Sweden	13.76-13.76
Switzerland	2.4838-2.4838
United Kingdom	2.4838-2.4838

changes are for the ECU therefore positive change denotes weak currency.

Adjusted for sterling's weight in the ECU, and for the latter's wider divergence limits.

Adjusted calculated by The Times.

Euro-\$ Deposits

12 months, 10-12% per annum.

6 months, 10-12% per annum.

3 months, 10-12% per annum.

1 month, 10-12% per annum.

Overnight, 10-12% per annum.

Call, 10-12% per annum.

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Foreign exchange report

In fairly busy trading conditions sterling finished a little lower on balance yesterday while the dollar closed below its best but still with useful gains in many instances.

Sterling lost 10 points at 2.4875 compared with 2.4875 on Tuesday, but its trade weighted index improved 0.2 points to 76.6 against 75.4 overnight and 76.7 at close.

The current account trade surplus of \$44m during September was better than expected, but the

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Other
Markets

Market rates (pence per £100) October 15

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Indices

Rank of Morgan England Guaranty Index Changes

Index	Change

Stock Exchange Prices

Strong rally after hours

ACCOUNT DAYS: Dealings Began, Oct. 13. Dealings End, Oct. 24. § Contango Day, Oct. 27. Settlement Day, Nov. 3.
§ Forward bargains are permitted on two previous days

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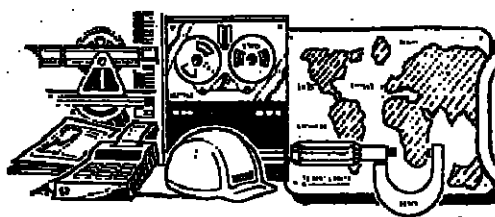
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Recruitment Opportunities



EngineersOverseas Appointments***Accountancy***Finance***Sales***Overseas Appointments***Accountancy***Finance***Sales***Marketing***General***Computing***Management & Executive Appointments***

MANAGER, ADMINISTRATION AND FINANCE B.B.C. ENGINEERING TRAINING CENTRE EVESHAM, WORCS.

The 6,000 Technical and Engineering staff of the BBC are trained at the Centre, which is residential and is located 3 miles from Evesham.

This post, open to both men and women, is one of the key positions in the administrative section and is responsible to the Engineering Training Executive for:-

The office administration of the Centre

The business management of conferences and student training programmes

Devising and initiating cost recovery systems

Assembling and co-ordinating the capital and revenue budget

Organising the accounting, cashier and purchasing resources of the Centre.

Desirable qualifications: a knowledge of mechanised accounting systems and a relevant professional qualification.

Initial salary: £7475-£8445 rising to £9150 per annum.

Financial assistance will be considered for house removal expenses.

Enquiries to: Engineering Training Executive, BBC Engineering Training Centre, Wood Norton, Evesham, Worcs. WR114FL

BBC

Director

Research into Developmental aspects of Behaviour

The Medical Research Council invites applications for the post of (full-time) Director of a new Unit for research into the developmental aspects of human behaviour with particular reference to the development of language and other forms of communication and disorders of such development. However, other lines of work may be included in the Unit's programme. The Council wishes the applications of the work—in medicine and remedial education—to be actively encouraged.

The person appointed as Director must have an established reputation as a scientific investigator in his or her own specialist field and evident ability to manage a research team. He or she need not be medically qualified but will be required to establish collaborative links with clinicians in order to encourage the applied aspects of the Unit's work.

The title and programme of work of the Unit will be decided by the Council in the light of the interests of the Director. The size and location of the Unit will be a matter for discussion between the Director and the Council. The Unit is due to come into being at the end of September 1982.

The salary if the successful candidate is non-clinical will be within the range for the Council's Special Appointments Grade (equivalent to the Universities professional range). If the successful candidate is clinical an honorary consultant contract will be sought and the salary will be on the NHS Consultant Scale.

MRC
Medical Research Council

Further information may be obtained from Dr J Woodhead-Galloway, 20 Park Crescent, London W1N 4AL (tel: 01-636 5422 Ext. 3631). Applications should be submitted to the Secretary of the Council at the same address not later than 15 December 1980.

RE-ISSUE



CITY OF LONDON

Remembrancer

The present holder of the Office of Remembrancer of the City of London, Geoffrey Arden Peacock, C.V.O., is to retire on 6th February 1981 and it becomes necessary to seek a successor. The duties of the office are concerned with both the Parliamentary and Ceremonial affairs of the City, which makes it an appointment both of great importance and of unique interest.

Candidates are required to be either Barristers or Solicitors of at least ten years standing, or to have had considerable experience of Parliamentary proceedings and to have a flair for ceremonial. They should be aged not less than 40 years or more than 57 years on 1st January 1981, except where there is transferable Superannuable service.

The salary of the office is within the scale £23,235 to £25,764 per annum inclusive. Full particulars and application forms from S. J. Clayton, Town Clerk, Corporation of London, P.O. Box 270, Guildhall, London EC2P 2EJ. (Telephone: 01-606 3030 ext. 2423). Completed application forms to be returned by 30th October 1980.

ACCOUNTANT

The Coal Merchants' Federation of Great Britain is looking for an accountant to be responsible to the Secretary for the accounting book-keeping work of the Federation and associated organisations. The successful candidate will be a sound, practical experienced with a wide range of accounting procedures but a formal qualification is not essential.

The salary offered will be around £7,500 together with a BUPA subscription and a contributory pension scheme.

APPLICATIONS MARKED "CONFIDENTIAL" TO THE COALMERCHANTS' FEDERATION OF GREAT BRITAIN, SOUTHAMPTON ROW, LONDON WC2E 4DH

MADAME TUSSAUD'S

Require an experienced Retailer to manage their quality gift shop. Responsibilities will cover all aspects of both the daily running and control of staff within the department. An ability to make independent decisions and to deputise for the head of department is essential. Experience of dealing with a wide variety of products would be preferred, but a common sense approach along with an ability to absorb and participate in wider aspects of the company is required.

It is unlikely that a person below the age of 27 will have sufficient experience. Salary £5,800 p.a. Staff canteen. Non-contributory pension scheme. Write with details of previous experience to:

THE STAFF MANAGER
MADAME TUSSAUD'S
MARLBOROUGH ROAD
LONDON NW1

MANAGER

REFINED PRODUCTS

£17,000 p.a. + BENEFITS
U.S. independent oil company with world-wide operations (annual sales over U.S.\$5,000m) is looking for a dynamic individual to market and trade refined petroleum products in their London office. 3-5 years' experience in oil industry preferred. Please send full c.v. to:

BOX NO. 1331 F, THE TIMES

LEGAL CASHIER

London W1 Solicitors requires cashier. Experience in maintenance of set of solicitor's accounts essential. Salary negotiable but c £7,000 p.a. Ring: 025 7991 (rel. MA)

FULLY QUALIFIED CAPTAIN-ENGINEER

required for First Class 10-ton British motor yacht, based in the Mediterranean. Very good knowledge of engines and mechanical systems. Excellent family life. Salary £10,000-12,000 p.a. plus benefits. Please send full c.v. to:

OXFORD UNIVERSITY Press, Zermatt, Switzerland. Requires a Sales Assistant. 30-hour week. 5 days a week. Salary according to experience. Please send full c.v. to: Mr. J. H. Jones, 10, Charles Cross Road, London, W.C.2E 4DH with full c.v.

ACCOUNTANT qualified, with 10 years' experience in manufacturing industry. Good knowledge of accounts and taxation. Salary £6,000-£7,000 p.a. Tel. 01-577 6744.

ASSISTANT TO ADVERTISING PRODUCTION MANAGER. 10 years' experience in advertising. Salary £6,000-£7,000 p.a. Tel. 01-577 6744.

A CAT THAT BARKS! I am looking for a Chartered Secretary who can act as a secretary to a small company. The company is a small business and the secretary will be responsible for all administrative matters. Salary £6,000-£7,000 p.a. Tel. 01-577 6744.

WIDELY TRAVELLING Maintenance Electrician. 10 years' experience in maintenance of electrical equipment. Salary £6,000-£7,000 p.a. Tel. 01-577 6744.

BOY WIDELY TRAVELLING Maintenance Electrician. 10 years' experience in maintenance of electrical equipment. Salary £6,000-£7,000 p.a. Tel. 01-577 6744.

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Hotel Company owning a number of hotels in the United Arab Emirates invites applications from suitably qualified candidates for following positions:

GENERAL MANAGER

Responsible to the Board of Directors with experience in hotel management and overall knowledge of the hotel industry.

FINANCE & ADMINISTRATIVE MANAGER

Preferably with experience in the hotel industry.

MARKETING MANAGER

With successful marketing record and experience in hotel and travel business.

In all cases, knowledge of Arabic and French will be an asset for consideration.

Salary range between £10,000-£20,000 p.a. depending on qualification and experience together with air tickets for successful candidate and family, annual leave, family accommodation and other fringe benefits. Interviews in London, October 22-30, 1980.

Applications with detailed curriculum vitae should be sent to

Box No 2197F The Times

Director of Hotel Development

Europe
London Location

Holiday Inns Inc., a five hundred million plus diversified International Company in the hotel restaurant and gaming/casino industries has a challenging position within its international division for an hotel development professional. We are seeking a man or woman to manage our total development activities in Europe, which will include selecting sites, negotiating with prospective developers and financial institutions, executing contracts, co-ordinating projects and compliance with company standards.

The successful applicant will be located in the London Airport area, and will be responsible to the Director of International Development in Memphis, Tennessee, USA.

The individual we seek will have a minimum of 5 to 10 years experience with proven ability in the field of property financing and development. The ideal candidate will also be fluent in German and English. If you wish to join this expanding company which offers many opportunities for a career within the development field, please send your c.v. with salary history to:

Director of International Personnel
HOLIDAY INNS INC
International Division
3796 Lamar Avenue
Memphis, Tennessee, USA

Holiday Inns

INSTITUTE FOR MARINE ENVIRONMENTAL RESEARCH

SCIENTIST

Organic Chemistry Plymouth

The Institute for Marine Environmental Research has a vacancy at its Plymouth Laboratory for a scientist to join a team charged with the task of developing an integrated approach to the assessment of environmental quality in estuaries and coastal waters with a view to developing methods for setting water quality standards and assessing environmental impact.

The successful applicant will be required to study, in collaboration with other chemists in the Institute, topics such as trace metal-organic interactions and the influence of estuarine conditions on organic speciation; and, with biologists, the availability and effects on the fauna of anthropogenic organic compounds.

Appointment will be at Scientific Officer/Higher Scientific Officer/Senior Scientific Officer level, for which candidates will require a good honours degree in an appropriate subject. At least two years post-graduate experience or post-graduate research is required for appointment at HSO or above.

Salary: SO—£1,895 to £5,480; HSO—£6,075 to £7,999; SSO—£7,544 to £9,618.

Staff of the Institute are not Civil Servants but may work on conditions of service similar to those of the Civil Service including a non-contributory pension scheme.

For further information and an application form please write to the Director, Institute for Marine Environmental Research, The Hoe, Plymouth PL1 3DH. Closing date for applications: 23rd October, 1980.

NATURAL ENVIRONMENT RESEARCH COUNCIL

CHIEF ACCOUNTANT

Required for dynamic young company, that has grown to become the largest in its field in only 3 years.

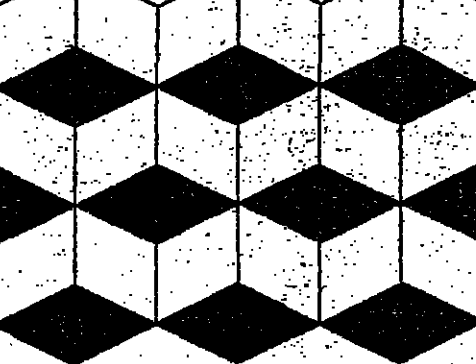
Applicants should preferably be 25-35, qualified ACCA or ACCA, with at least 2 years commercial experience and a good sound knowledge of computers.

Salary negotiable, but excellent for the right applicant.

If you are ambitious and can work on your own initiative, ring 0296 33525, or write to:

THE PERSONNEL OFFICER,
BERKELEY-WALBROOK LIMITED,
BERKELEY-WALBROOK HOUSE,
WALTON STREET, AYLESBURY,
BUCKS, HP21 7RF.

Honours Graduates: Problem solving from every angle



There are at least two different and equally valid interpretations of the problem-solving process. The first is the traditional view of the problem-solving process, which is based on the idea of a single, linear path to a solution. The second is a more modern view, which is based on the idea of multiple, interconnected paths to a solution. This second view is the one that we are promoting at the Honours Graduates' Problem Solving Centre.

Qualifications: Under 12 and a degree with honours in a relevant subject. Starting salary: £4,000-£6,745 according to experience. The successful candidate will be responsible for the day-to-day running of the Centre, which is a busy and exciting environment. The Centre is located in a modern building in the heart of the city, and offers excellent facilities for its students. The Centre is a key part of the Honours Graduates' Programme, and its success is vital to the overall success of the programme.

MINISTRY FOR CONSERVATION

Melbourne, Australia

SENIOR ENVIRONMENTAL DESIGNER

\$A24,689

DUTIES: To be responsible for the direction and coordination of the work of the Environmental Design Branch in conservation and environmental management programs.

QUALIFICATIONS: An approved degree or diploma in the natural sciences or architecture or other relevant discipline. Preferably a specialist qualification in landscape architecture. Considerable experience in landscape architecture. Experience in working with multi-disciplinary groups engaged in environmental programs and demonstrated ability to develop and implement new programs and to supervise staff.

TERMS OF APPOINTMENT: This is a permanent position but consideration will be given to appointment on a two to three year contract basis. Appointment will be at Class "B" - Second Division.

FURTHER INFORMATION: Further information can be obtained by writing to the PERSONNEL OFFICER, MINISTRY FOR CONSERVATION, P.O. Box 40, EAST MELBOURNE 3002, AUSTRALIA.

WRITTEN APPLICATIONS: containing full details of qualifications, experience, the names of 3 referees, and quoting position number E1575/0102/2 must reach the Secretary, Public Service Board, 1 Treasury Building, Melbourne, 3002, Australia, by no later than 9.30 a.m. on Monday, 12th January, 1981.

TRANSLATION CONTROLLER

FOR OVER 2,000 COMPANIES

We produce foreign language publications for over 2,000 industrial exporters and international publishers. From colour brochures to technical manuals, films and books of every kind.

We employ translators, in-house, and world wide. We're applying the latest computerised systems to our work in communications, multi-lingual word processing and phototypesetting.

We have offices in the U.S.A. and the Far East. In our work we aim for the highest standards, yet the pace is fast, demanding, but stimulating. We're looking for someone with dynamism, ambition and outstanding managerial talents to control our foreign language writing and technical translation division. The successful candidate will be about 30, extrovert, probably with a first-class degree, able to motivate staff and be completely at home with important clients. The salary will match the challenge.

Write in confidence to
Bernard Keigher
Managing Director
TEK Translation & International Print
11 Uxbridge Road
London W12 8LH

COMMONWEALTH AGRICULTURAL BUREAUX

Post of Director

Commonwealth Bureau of Agricultural Economics
Oxford, UK

The vacancy arises from the retirement of Mr J. O. Jones, Director of the Bureau, 1964, and successor will be expected to join the Bureau as soon as possible after appointment.

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This report marks tomorrow's opening, by Mrs Margaret Thatcher, the Prime Minister, at the National Exhibition Centre, Birmingham

INTERNATIONAL MOTOR SHOW



The International Motor Show will open in a sombre mood as it reflects the general economic recession. Not for the first time this year, motor manufacture is turning out to be an accurate barometer of industrial activity.

In the first eight months has affected not only car the United Kingdom car manufacturers but their market was down by 7 per cent component suppliers, and car component suppliers, and the industry does not expect same period of 1979, but, things to get much better more significantly, the share before the second half of taken by imports rose 1981, if then.

and Ford are shedding thousands of jobs as demand falls, particularly for larger cars.

In France, where manufacturers have tended to concentrate on small, economical models and where buyers have a greater loyalty towards their own country's products, the market was down by 16 per cent in June. Renault, thanks to a shrewd grasp of the market, has largely weathered the slump but Peugeot has introduced short-time working and there have been substantial layoffs at Talbot.

The principal Italian car maker, Fiat, is cutting production by 30 per cent in the second half of this year which has meant a year which has meant a short-time working which ranges of any manufacturer, workers and redundancy

for 15,000 more. At least Japanese imports, which are restricted by the Government to 2,300 a year, cannot be blamed.

In the United States 300,000 car workers have been laid off. Ford and General Motors have reported record quarterly losses and Chrysler struggles on only with government help. At the same time a dramatic switch to smaller, more economical cars has helped the Japanese to a 25 per cent share of new registrations.

The one industry seemingly unaffected by the slump is the Japanese. It made more than six million cars for the first time in 1979 and this year's output should be even higher when lorries are counted as well Japan has now over

hailed the United States as the world's largest motor vehicle producer.

Already about one half of Japanese car output is sold abroad, and with the home market showing signs of reaching saturation point, the need to export will be even greater. This is at a time when pressure in both Europe and the United States for import controls on Japanese cars is mounting.

Much of the controversy has arisen over the fact that the motor trade with Japan is virtually one way. Imported cars took only 2 per cent of the Japanese market last year and, with the value of the yen moving against imports, the 1980 figure could be even lower. Manufacturers who do try

to sell cars into Japan complain of all sorts of bureaucratic barriers erected to frustrate their efforts. But there is a more fundamental point and that concerns vastly superior Japanese productivity. Helped by a high level of automation, low manning levels and a docile labour force, Japan makes roughly twice as many cars per man per year as the average in either Europe or the United States.

It follows that Japanese cars can be sold very competitively in the markets of Europe and America while some European models in Japan cost twice as much as their home-produced rivals. Until European and American producers become more efficient it will be difficult

for them to fight on equal terms.

The call for restrictions on Japanese imports, supported even by traditional free traders like Ford, seems unlikely to be taken up by governments anxious not to provoke reprisals. Even so, the Japanese must realize the depth of feeling in some markets that their cars are provoking and be prepared to exercise moderation as they have no their shipments to Britain.

The other way out for Japan is the coproduction deal with European and American manufacturers which at least supports some local jobs. BL's agreement with Honda and Alfa Romeo's with Nissan may set a trend. Honda is to

ON OTHER PAGES

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- Japan : Eastern Europe : unions
- British car market : diesel cars
- Utility vehicles : safety : components
- Small specialists : Metro : Escort
- Rolls-Royce Silver Spirit : new cars
- Veteran and vintage
- Tyres : accessories : in-car entertainment
- Turbocharging : fuel stretching ; alternative engines
- Car hire : the caravan industry
- Design : costs

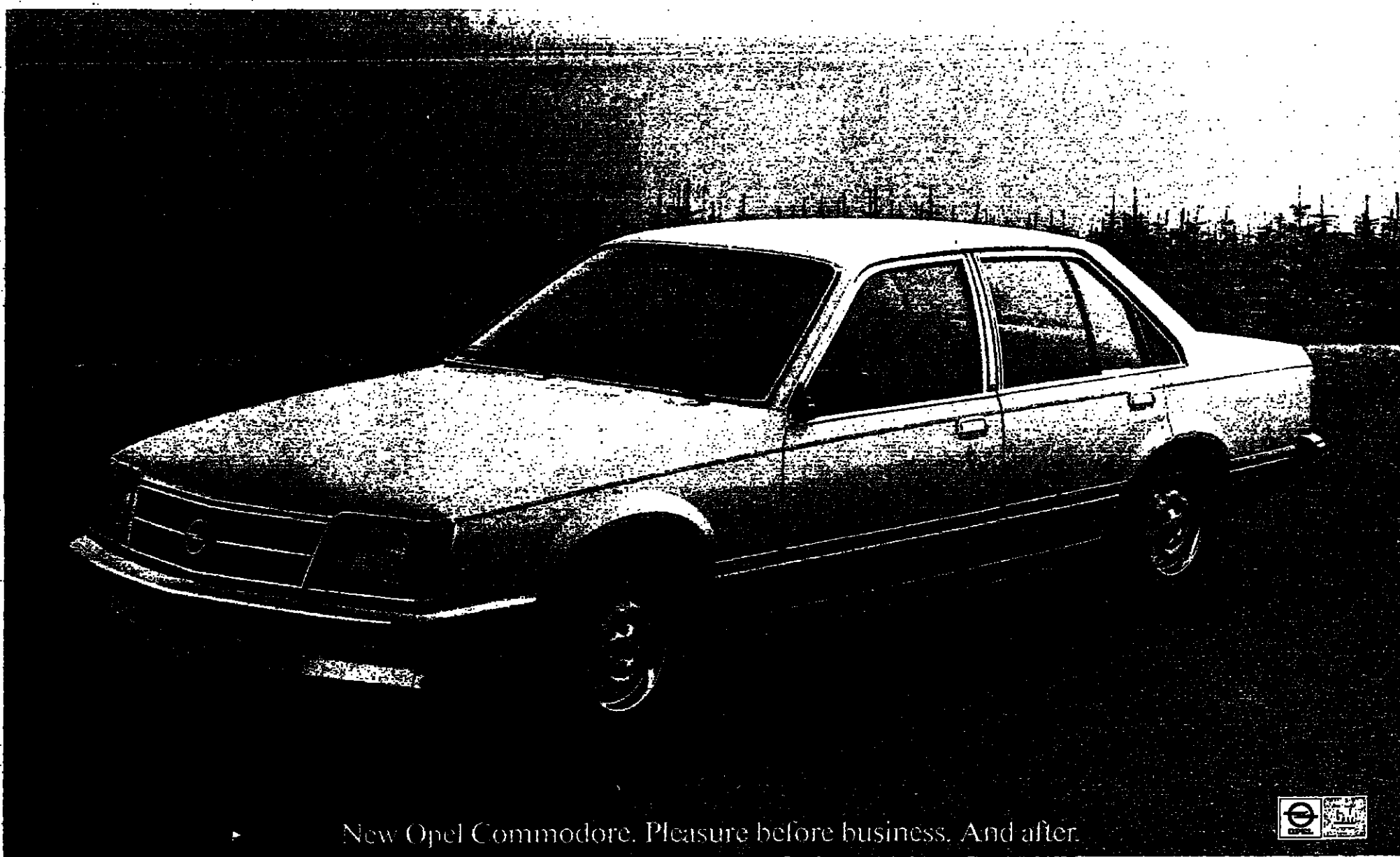
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enough makers of the world's above all the Japanese will fill the gap.

The record of 1973-74 was soon broken by the American temporary motorists' bloopers. As soon as it asserted that it would go back to the market, it was passed. With other motorists' cheap by European standards even after the East price rise, it seemed to have been.

Now Americans are turning out large cars with a vengeance. General Motors sold only 58,000 Caprices—the biggest Chevrolet model—in the first 304,000 1980 cars compared with 304,000 in the same period last year. Meanwhile, Japanese

GM has played with the world car concept. The Opel-based Chevy I car, sold in Germany, spread in Britain as the Vauxhall Chevette, became the Chevrolet Chevette in America and now the latest Chevy I car is essentially a Opel design which was later adapted for other markets.

The I car was designed in Detroit and was intended for the Japanese market from the beginning. Opel shareholders, such as Vauxhall and Opel, have been involved in its development at every stage. Its design is a sort of half-American, half-European, which must make the cars more competitive than if Opel, Vauxhall, Chevrolet or Ford (Ford's own

that for the first time car of European size well acceptable to—indeed demanded by—American motorists. And having the advantage of being a little, without GM's vast resources, to respond to T. Escort may be claimed as a world car but it is a European design that has been adopted in America rather than a car conceived initially with a world dimension.

A logical next step if Ford would be the equivalent of the GM car, a replacement of the Cortina in Britain and the Taunus in Europe and giving Ford momentum in America against the Japanese. Whether it happens, it is not clear, or not, the pattern for future development has been set.

imports have been rising up to 25 per cent of the new car market.

The lesson is clear: American manufacturers must not only make their big cars smaller but bring out new small ones, small even by European and Japanese standards. At the moment General Motors looks to be ahead of its rivals, though it has just revealed an American version of the Escort and Chrysler has high hopes of its K car.

General Motors put a small car up to the American market back in the mid-1970s—a bigger-engine version of the European Chevrolet—six years too late. It was ahead of public taste and sold poorly. Now the Chevette is the best selling GM model.

There has been scepticism, too, with the X car, unusual for American models in having front-wheel drive, as it could offer the sort of interior, safety, American

and other advantages of more expensive projects.

In Europe the X car will compete with British, French, German and Italian models with proportionately higher development costs and less able to call on the economies of scale that exist in the worldwide manufacture of GM's other models.

GM is also said to be planning a new front-wheel drive car in the supermini class—contested in Europe by the Ford Fiesta, Volkswagen Polo and the Metro—among several others. It is likely to be built in both Europe and the United States and some reports suggest that it will have an ultra-economical three-cylinder engine.

GM seems less advanced in the world car programme than GM's allies, why it is something of a puzzle. It is also true that the description, "mini car", is easy to use, the term purely in British usage, but the car is of far greater significance in

Not so long ago, Volkswagen manufacturers' Volkswagens were able to compete with the Americans on more or less a national basis. Ford in Britain had a different model range from Ford in Germany and Opel bore no resemblance to a Vauxhall. But in more than a decade GM's cars have moved from national cars to European cars and now to world cars.

The fact that the Americans can design cars that will be equally acceptable in their home market and overseas opens up the prospect of being able to spread research and development costs over much bigger output.

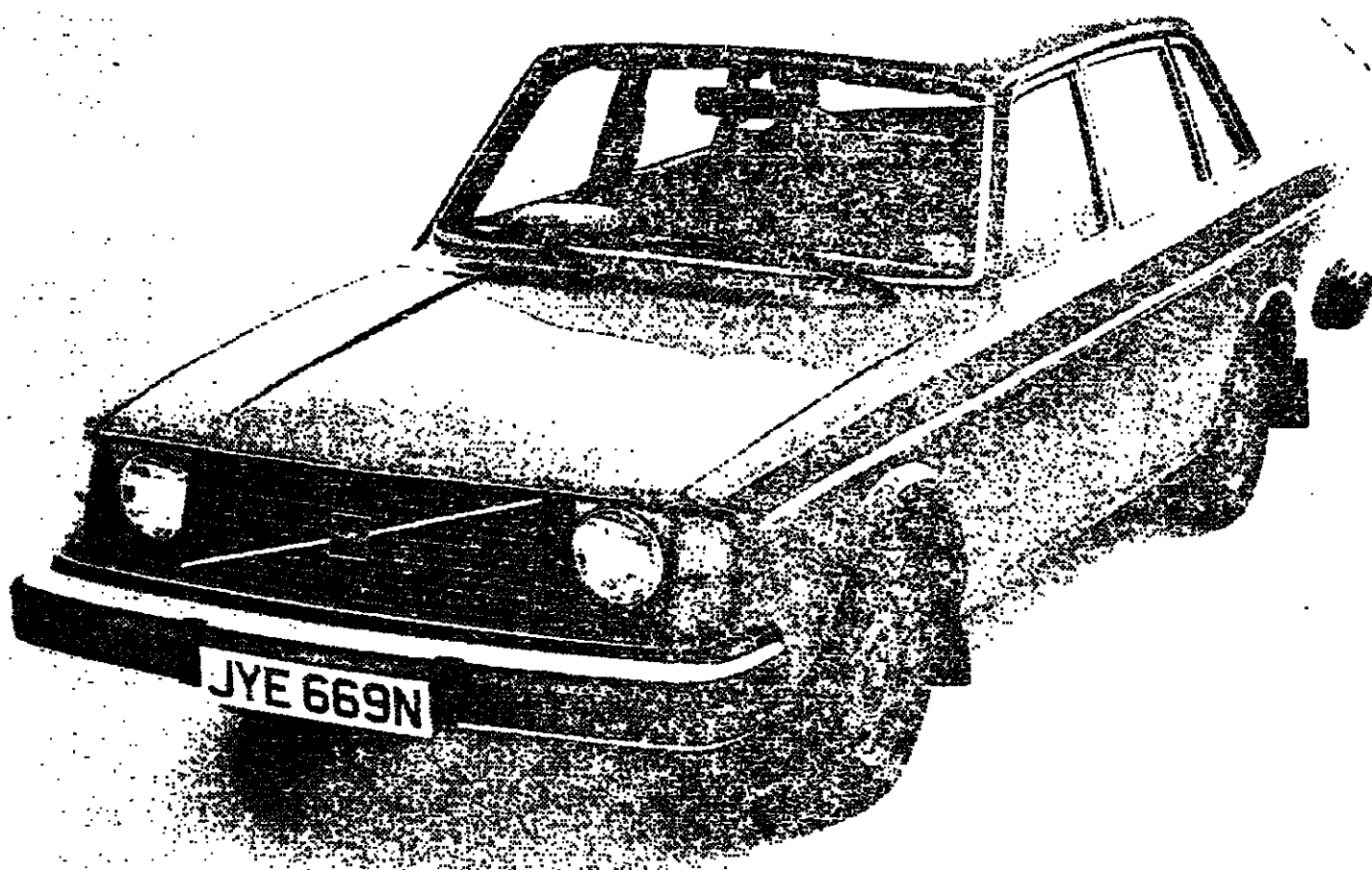
Manufacturers can hope again. With Japanese competition on one side and American world cars on the other, Fiat, Volkswagen, the rest are in for a tough

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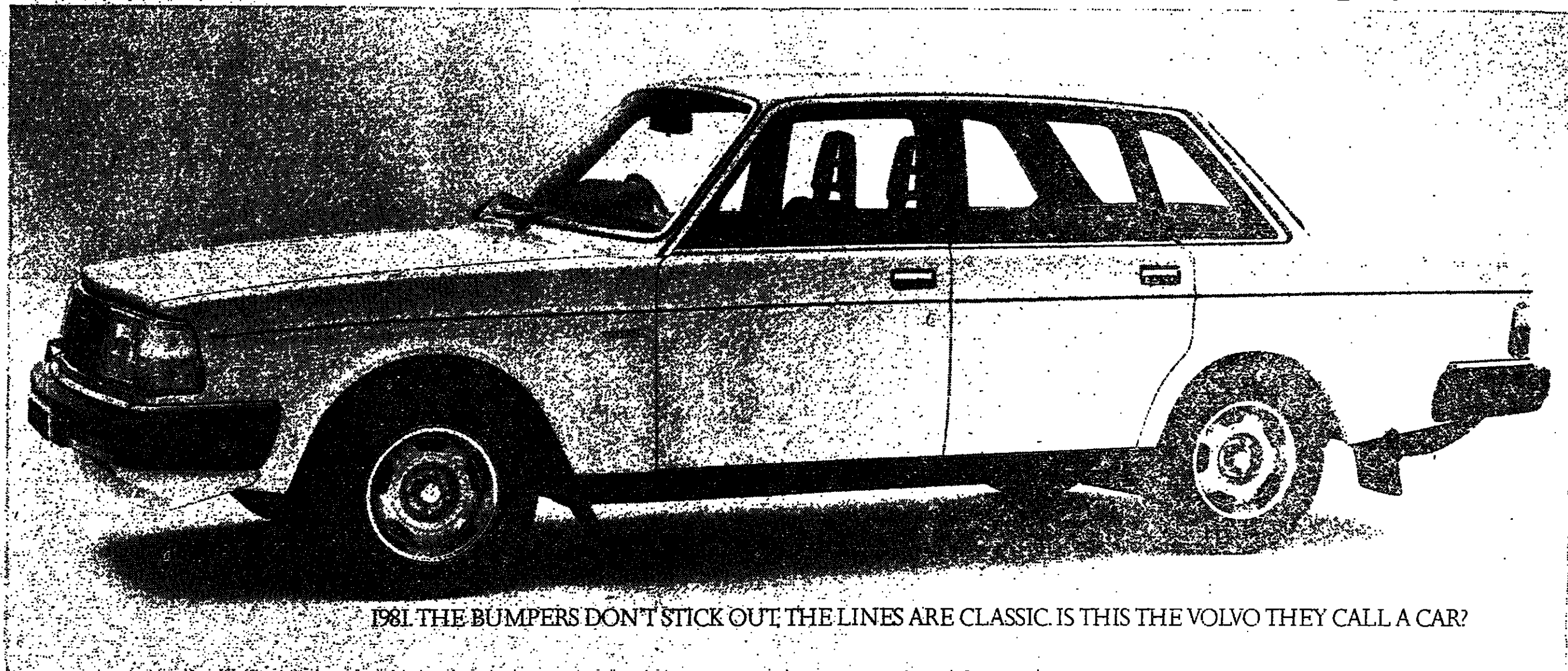
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Japanese loyalty could kill European opposition

25 years the Japanese industry has grown from nothing to become the second biggest in the world after the United States. But it makes it such a formidable competitor is not only size, but vastly superior efficiency.

Mr Bill Hayden, Ford Europe's manufacturing vice-president, visited Japan this summer and said he was horrified to realise how far Ford, generally considered to be one of the most efficient European companies, had fallen behind. He gave a warning that unless European car firms dramatically improved their productivity over the next few years, "the Japanese will kill us".

It takes twice to three times as many workers to produce a car in Europe as it does in Japan and the comparison between Japan and Britain is even more painful. According to Mr Hayden, if Ford in Britain had Japanese manning levels it would need only 30,000 people instead of the present 76,000.

The keys to Japanese productivity are a high degree of automation and a labour force which accepts change and seldom strikes. Going round a Japanese car plant can be an eerie experience for, although the lines are cluttered with activity, there is scarcely a human being in sight.

Mitsubishi's main car assembly plant at Nagoya, sometimes tagged the Japanese Detroit, is 80 per cent automated, turning out a car every two minutes. This rate will eventually be stepped up by half as much again. The factory makes 150,000 cars a year with 1,100 line workers; a similar workforce at Ryton, near Coventry, makes only 50,000 Talbot Sotaras.

Robots are not exclusive to Japan and BL has rightly been making much of the new Metro plant at Longbridge, which can claim to be as advanced as anything in Europe. But while BL is looking for an output of 23 cars per man a year, an impressive figure by European standards, the Japanese average is already nearly double that.

The Japanese have been more willing to accept automation, partly because a rapidly expanding industry has not necessarily meant machines replacing jobs. Rather, more cars have been made by the same workforce. Mitsubishi now makes twice as many vehicles as it did 10 years ago and still employs 20,000 people.

The other factor is the traditional obedience of the Japanese worker, which is reflected in society generally. Just as the Japanese wife has a loyalty to her husband, uncomplainingly tolerating his evenings in the peisha house and the Japanese citizen a loyalty to the state, so the worker is loyal to his boss in a way that is hard for Europeans to understand.

This emerges in the Japanese worker's attitude to strikes. Labour disputes occur in Japan, but Japanese workers tend to demonstrate for better pay and conditions by putting up posters and wearing black armbands rather than stopping the line.

High productivity is combined with high output, often concentrated on a small number of car models. Toyota makes more Corollas in a year, 637,000 in 1979, than BL is managing to make cars of all types, from the Mini to the Jaguar. One result is that Japanese cars are much cheaper to buy in Japan than similar cars in Britain.

It is difficult to accuse Japanese importers of dumping when, for instance, a Toyota Starlet costs £3,200 in Britain and only £1,400 in its own country. One can only speculate the only importers on what must be healthy profit margins, even after the cost of shipping the cars half way round the world.

Other examples are a Corolla costing £1,600 in Japan and £3,300 in Britain; a Carina £1,900 against £3,900 and a Celica £2,600 compared with £5,600. Since the tax on cars is similar in the two countries and Japanese car workers are 30 per cent better paid than British, higher productivity is the only explanation for such remarkable price differences.

Foreign cars sold in Japan tend to be expensive. The best selling imported model, the Volkswagen Golf, costs twice as much as Japanese competitors. Importers often complain about petty restrictions frustrating their attempts to sell in Japan; but even if prices were totally free, they would still affect the ability to compete.

Only 60,000 foreign cars were sold in Japan in 1979, or 2 per cent of a market of more than three million. With the yen falling in value, the total is unlikely to rise this year.

Since 1968 the output of the Japanese car industry has tripled, from two million a year to six million. And while car firms in Europe and the United States are making workers redundant and putting factories on short time the Japanese are committed to, and achieving, further expansion. All the principal companies are planning higher output this year.

Comecon: cheap cars for West are costly at home

The cars of Eastern Europe are much smaller than it is in Western Europe, the United States or Japan. Against Japan's six million cars in 1979, the Soviet Union—with more than twice the population—made only 1,500,000. Poland produced 337,000, Czechoslovakia 175,000, and East Germany 171,000.

With a high proportion designated for export, cars for the home markets are scarce and long waiting lists build up. A Russian of a month may have to wait 18 months for a new car which is freely available in the West.

Even if more cars were made for home consumption, few people could afford them. In their pricing policies, the East European countries make their cars deliberately expensive for the home market, while selling at cost price, or less, in the West to earn much needed currencies to pay for capital goods.

The cheapest car made in Poland is the Fiat 126, which costs 74,000 zlotys. The Polish car worker earns, on average, about 50,000 zlotys a year, so the car costs one and a half times his annual income. A British car worker could buy two Fiat 126s with the equivalent of a year's earnings and still have money over.

The main East European producer is the Soviet Union, where output is

increased fourfold during the 1970s—mainly because of the decision to build a vast new factory at Tolyatti on the Volga river. The factory was established with Fiat help and makes, under licence, a Soviet version of the Fiat 124 sold in the West as the Lada.

One of the biggest integrated car factories in the world, Tolyatti makes more than 700,000 cars a year, or half of total Russian output. The main assembly line is a mile long. It is at Tolyatti that the new "supermini" will probably be built, starting in late 1982 or early 1983.

The other Russian family car familiar in the West is the Moskvich, made in a much older plant on the outskirts of Moscow. The current model is primitive by Western standards and was withdrawn from the British market several years ago. Discussions have taken place with several Western manufacturers on a "Fiat type" deal to re-equip the plant and produce a modern car but so far, apparently, no agreement has emerged.

The Russian car industry after a rapid climb in the past decade, may have reached a plateau. The Government has turned down a request by Tolyatti for capital to increase the capacity of the plant to one million cars a year, and expansion seems unlikely during the next five-year plan which begins in 1981.

Talk of Russia's technology having much smaller the car industry. However, the industry which have at least, manufacture.

Poland is the second largest car producer in the world, with 337,000 cars a year. Its cars have been almost entirely for export, but since 1975, it has begun to export to the West. The first Polish car to be sold in the West was the Fiat 126, which was introduced in 1976 and one of the few remaining led to the manufacturing of a new engine design for model—the Polski-Fiat. The car's handling is a front-wheel drive with an attractive East German-style bodywork. The Western-style bodywork, was Warburg, powered by a 1,300 cc engine, and the car was launched a couple of years ago.

Under a second licensing agreement, the Warburg said briefly, the little Fiat in Britain until 1981. The 126 is made in Poland and, under a further agreement, will probably continue to be based on locally from the 126 in Italy. It is produced by Renault 12, called the Dacia for Fiat to export to 100,000 in Western Europe, it is made at the rate of about 73,000 a year, although under a further agreement of June 1978 plant capacity is to be doubled by 1990 and reach 150,000 cars a year and the Renault 12 will be built alongside Dacia. A new engine plant is due to open in 1982 for the production of 1,600 cc and two-litre units based on the Fiat twin-cam design. They will be used mainly in the 126, which will gradually take over from the Polski-Fiat for export to additional versions, including a three-door hatchback and a coupe.

Czechoslovakia and East

Peter Waymark

It follows that car produc-

Trade demarcations said to cause low productivity

British union leaders' first tentative steps towards international solidarity in the motor industry came three years ago with their visit to Geneva to join colleagues from the United States and Europe in discussing the forthcoming takeover of Chrysler's European operation by Peugeot Citroën.

While union officials now frequently travel abroad, the International Metalworkers' Federation conference at Chrysler was one of the first to take place in the eye of an industrial storm and went some way to improving relations between motor industry unions world wide.

The meeting also prompted, not least among union officials themselves, reflections on the differences between their own organizations and their foreign counterparts: while some European unions look awe at their equivalents in Britain, where the closed shop or something near it is almost universal in the motor industry, British officials may find themselves envying the West German system of industrial democracy, admiring the level of Japanese fringe benefits and security, or sympathizing with French unions against some of the more aggressively anti-union managements in the European motor industry.

To many outside the motor industry, the comparison is highly unfavourable to Britain. The image dies hard of the bloody-minded unproductive British car worker, contrasted with the solid citizen of West Germany or Belgium who moves from skill to skill at the first asking, welcomes technological innovation, and seldom if ever strikes.

Comparisons like that contained in a recent internal Ford study tend to encourage such an impression. That reportedly showed that a Toyota worker assembles a car per day compared with the Dagenham worker who needs three and the Halewood man who needs six. But while such comparisons dramatize the competitive threat from Japan now exercising as well as union leaders they can be misleading if quoted out of context which accounts for variables like investment in automated plant.

Nevertheless the comparison made by the Central Policy Review Staff, which though now five years old, and treated at the time with scepticism by British union officials, still remains the most wide ranging of their kind, makes arresting reading.

In examining the relative competitive weakness the CPSRS looked at manning productivity and labour relations among a large number of other commercial and industrial factors. On manning, it cited the trim

and final assembly areas: in Britain 940 men were employed on a single shift while at a directly comparable continental plant there were 665 men. In maintenance between 900 and 1,200 men were required compared to an equivalent continental plant where between 650 and 650 men were needed.

The "think tank" attributed this directly to trade demarcation and commented: "If a multi-skilled machine breaks down in Britain six maintenance men would be involved in repairing it... On the continent only two men, one mechanical and the other electrical, would accomplish the same job."

The CPSRS found that while between only 65 per cent and 75 per cent of the man hours used to produce a single British unit were required on the Continent, that was only partly offset by generally lower labour costs.

Of four sections studied, only in engine production were labour costs per unit actually lower (slightly) than the continental average, though when hourly wages were taken into account the discrepancy in unit costs was considerably less dramatic than that for output per man. Finally, while British plant managers claimed to spend almost half their time dealing with labour relations problems, those in Belgium and West Germany quoted a figure of only 5 to 10 per cent.

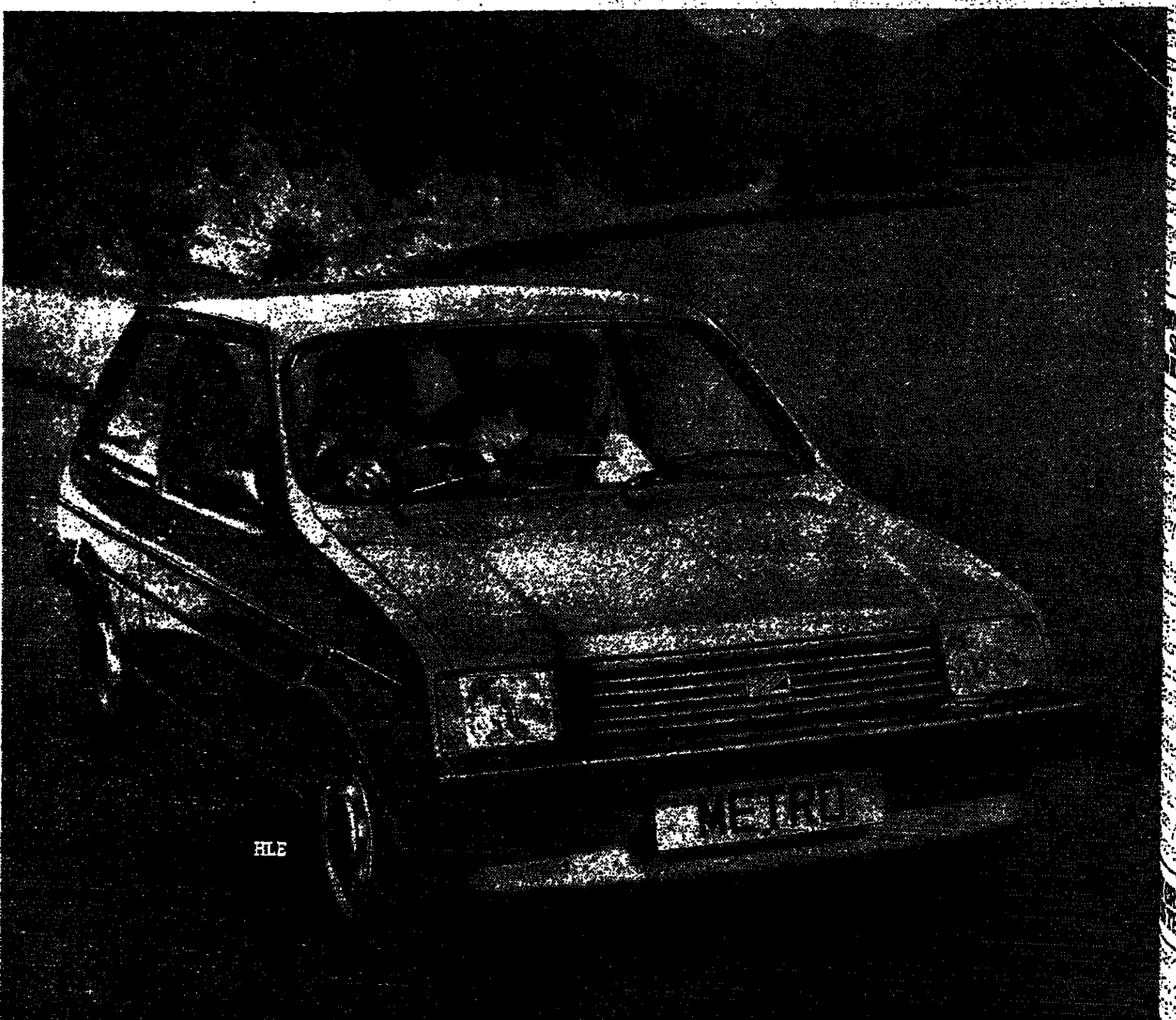
Justly, one of the first points made about British unions is their multiplicity. There are 17 main motor industry unions (though 30 per cent of the workforce are now in two in Britain. In the United States and Japan there is only one. In France and Italy where the main differences are political rather than industrial and therefore do not generate demarcation disputes to the same extent, there are respectively six and five. In Belgium there are three and in Germany two.

While multi-unionism does not explain all the labour problems of the motor industry it has two, oddly contrasting, adverse effects. Demarcation, recruitment rivalry and differences in negotiating policy all combine to produce an irritant to leaders of either side of the industry. At the same time they tend to make the unions less cohesive as a force in nationally—as opposed to locally and unofficially—winning substantial gains for their members.

In Volkswagen, for example, where IG Metall is the sole union in the six West German plants and where membership extends from 82 per cent to 95 per cent, the union has been successful in winning substantial gains. In 1979, for example,

Donald Macintyre

NEVER BEFORE HAVE SO MANY GONE SO FAR ON SO LITTLE.



NO MILES BETWEEN
SERVICES
MILES THE WAY

DO NOT TO GET
THE QUESTION



Peugeot was a pioneer of diesel-engined cars. Thirty per cent of its latest 604 model are turbodiesels.

VW prophesies big switch to diesel

Volkswagen has made the prediction that by 1985 one third of the world's car output will be diesel-powered. This, if fulfilled, will mean a dramatic change in mounting taste and habit, but it may be the only way of squaring the continued existence of the car with the need to conserve energy.

The United States has had probably the biggest influence on the development of the diesel car, principally because of its ambitious federal fuel consumption targets which require manufacturers to achieve an average across their range of 27.5 miles per United States gallon (about 32 miles per Imperial gallon) by 1985.

Diesels are not obvious way of trying to meet these figures, indeed for manufacturers of big cars the only way, imports are expected as well, which is why half the cars made by Mercedes-Benz are diesel. BMW, too, must have had an eye on the American market when it decided to build a diesel engine factory in Australia with a capacity of 100,000 units a year.

The other encouragement to diesel in the United States is that country's stringent exhaust emission regulations. Although the diesel exhaust, with its clouds of blue smoke, may suggest the opposite, its output of diesel is half that of a petrol engine.

In the longer term, General Motors will be its output of diesel is half that of a petrol engine.

times that the luxurious Cadillac Seville now has a diesel engine as standard and a petrol engine as an option.

The case for buying a diesel car depends partly on the price of the fuel. In several countries—among them Italy, Spain, France, Belgium, The Netherlands and the Scandinavian countries—diesel fuel costs, at most, only two-thirds as much as petrol. This, combined with superior fuel consumption, makes diesel motoring an attractive option.

In West Germany, Switzerland and Britain, petrol and diesel fuel are roughly the same price, and since a diesel car is more expensive—because the engine costs more to make—it pays off overall only on a high annual mileage. That explains the popularity of diesel cars as taxis on the Continent, plus the diesel's edge on the petrol car in fuel consumption during stop-start town driving.

The traditional barriers against diesel have been noise and performance. Not so long ago the typical diesel car sounded little different from a diesel lorry—a loud clatter on tick-over

giving way to a full-blown roar at the limit of each gear. This was not altogether surprising, since manufacturers tended to put lorry diesel engines into their cars.

Now the practice is to develop diesel engines directly from petrol ones. The leaders in this have been Volkswagen-Audi, notably with the 1,500cc Golf diesel—an outstanding development which proves that a small diesel engine can be almost as smooth and quiet as a petrol engine. A two-litre version of the Golf diesel is used in the Audi Avant hatchback and produces similarly impressive levels of refinement.

There are two other advantages of producing diesels from petrol engines. One is that the units can be made side by side on the same line, which greatly increases a manufacturer's flexibility in responding to demand. The other is that costs can be spread so that the diesel car need not carry as big a price penalty.

To replace some of the power lost by the diesel, manufacturers have resorted to turbocharging. The Mercedes-Benz five-cylinder turbo-diesel was developed primarily for the United States market, leaving Peugeot to be first off the mark in

Europe with a turbocharged diesel version of its largest car, the 604.

Turbocharging cannot wholly compensate for the diesel's leisurely progress; the Peugeot 604's 0-60mph acceleration time of 17sec is about the same as the Mini's. But without turbocharging the car would be so slow as to be almost undrivable and turbocharging does little to compromise the diesel's excellent fuel consumption. The Peugeot will easily do 30mpg and more—an impressive figure for a car of its size.

The diesel market in Britain has taken longer to develop than most others. Only 2,335 diesel cars were sold in 1978 and 5,312 last year. With Peugeot, the traditional diesel leader in Britain, being strongly challenged by Volkswagen-Audi, the market in 1980 could reach 8,000—still well below 1 per cent.

This slow progress helps to explain why no British manufacturer has yet ventured into diesel. Ford offers a diesel version of the Granada, but the engine is Peugeot's and the car is built exclusively in Germany. BL has experimented with diesel engines in the Princess and the Rover but appears to have no plans to put either into production.

P.W.

THE 83 MPG METRO.

The new Metro delivers great performance and great economy. With its new A-Plus engine and refined, positive gear box the 1.3HLS tops 96MPH and zips from 0-60MPH in 12.3 seconds.

While the HLE, at an independent test performed by AA engineers, achieved 62 MPG at a steady 50 MPH. And an astounding 83 MPG at a steady 30MPH.

Meanwhile a car with the roadholding and manoeuvrability of a Mini is both smooth to drive (specially developed Hydrazes suspension) and quiet to drive in. Quietness was built into the design right at the beginning with the help of a structural vibrational analysis in an anechoic (echo-free) chamber.

WITH 12,000 MILES BETWEEN SERVICES, METRO RULES THE BAYS.

Metros will go 12,000 miles or one full year without a service.

Such technological superiority (Fiesta, Polo, Fiat 127 and Renault 5 all recommend services every 5,000 or 6,000 miles) was made possible by significant engineering breakthroughs.

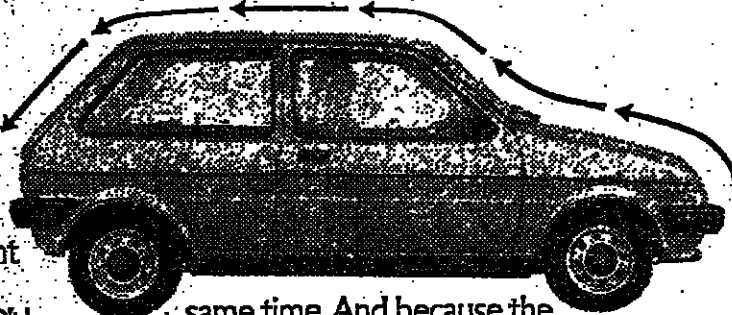
Every Metro has brake pad wear sensors to tell you when to change the brake pads. Self-cleaning, sliding contact points are standard, as is a long-life battery which only needs topping up once a year.

An enlarged oil filter element and long-life spark plugs which don't need cleaning are also standard equipment.

Features like these, along with the precision of the new automated West Works at Longbridge, mean your Metro will stay on the road while other cars are in the garage.

TO SIT OR NOT TO SIT? THAT IS THE QUESTION.

The folding back seat of an ordinary hatchback lets you choose between more seats or space. In a Metro, the asymmetric Split Action rear seat lets you do both at the



same time. And because the seat is split one third/two thirds, it's uniquely versatile.*

Fold the smaller seat down and two people can sit comfortably beside a neatly stored carry cot or trunk.

Fold the wider seat down and you can carry a mountain of luggage beside one back seat passenger.

EVEN WELLINGTON NEVER IMAGINED A BOOT THIS BIG.

If you fold both seats down you'll find 45.7 cubic feet of load-carrying space; more than the Renault 5, Fiat 127 or VW Polo.

While Fiesta, 61 inches longer than Metro, only manages 42.6 cubic feet.

GREAT SPACE FOR GREAT BRITAIN.

CAR Magazine (May, 1980) said "Metro... stands to be the most space-efficient volume car in history."

That means comfortable.

The newly designed seats are contoured to make long drives feel miles shorter.

While a huge glass area means better visibility front and back, as well as a more relaxed, spacious "feel."

The doors are extra wide. And the front seats don't just fold forward; they slide forward and back automatically.

THIS COULD BE YOUR FINEST HOUR.

There are five new Metros, from £3095: the standard Metro, the Metro L, the super economical Metro HLE, the sporty 1.3S and the luxurious 1.3HLS.

After each comes out of the most advanced car assembly plant in Europe it is individually inspected for quality of finish.

Inspect one yourself on a test drive. And imagine getting miles more per gallon in a Metro in 6 months time, when all the best cars the rest of the world has to offer have stopped for a service.

AUSTIN with Supercor



METRO
A BRITISH CAR TO BEAT THE WORLD.



The Morris Ital—BL's car for the fleet market.

Why UK leads Continent's fleet market

The fleet and company car market in Britain is the largest in the world, widely acknowledged by the international motor industry. But defining its size with any real accuracy has proved impossible. Independent surveys carried out by manufacturers based in the United Kingdom, and the British Institute of Management, differ by as much as 20 per cent.

The problem is the definition of the market. Most manufacturers define fleet customers as those buying more than 25 vehicles, including lorries and vans. Using that as the yardstick it is generally accepted that 50 per cent of cars sold in the United Kingdom are fleet purchases. But if the definition is widened to include individual businessmen buying with company cheques it could easily account for another 10 per cent to 20 per cent.

That leaves an arguable 30 per cent to 40 per cent of the total market for purely private sales. So far the fleet market is dominated by the four big British-based companies—Ford, BL, Vauxhall and Chrysler—with the imports operating on the fringe with marginal but steadily improving success.

So why is Britain Europe's leading fleet market? There are several reasons, with the importance of each differing according to the manufacturer, dealer, or buyer you are talking to. Fleet business began in earnest in Britain about 15 years ago—well ahead of the Continent. This was largely because of the pioneering work of Ford, which dominates the United Kingdom's fleet market, accounting for more than 50 per cent of all sales.

This early start enabled Ford—and in their turn BL, Vauxhall, and Chrysler—to establish fleet sales well ahead of the main import invasion. One of the main requisites of a fleet car is that it should have access to a large, country-wide servicing network. Even the best of the imports cannot match the number of service points available to the four big companies.

That is not to say that the imports have accented their present market share, which is estimated to be between 10 per cent and 15 per cent. Renault is becoming particularly aggressive in the volume-produced sector followed closely by Fiat and Volkswagen. They have there to help the imports to increase their share of the total United Kingdom market for new cars. Their proportion of private sales is now so high that it is to

the fleet market they have to look for any further sizeable gains.

The company-supplied car, from the chairman's Rolls-Royce to the salesman's Escort, has become an established part of the company's transport pool. Personnel directors say that as much time is spent settling the allotment of a new employee's car as arranging his pay packet.

The periods of wage freezes which have only recently ended undoubtedly gave the fleet business a big boost. Companies faced with the difficulty of holding a key employee who could earn more by moving to a new job frequently resorted to a better car and changed it more often. Once established such a practice is difficult to break-even in more difficult times such as the present recession.

Employees at all levels regard the type of car allotted as an outward symbol of their standing in the company. Any attempt to downgrade them—as many companies are trying to do—is resisted fiercely. Rather than cause too much upset in this way many fleet buyers are making economies by retaining their fleets for an extra year. The manufacturers insist that this is a false economy and demonstrate with the aid of carefully argued documentation that the short-term benefits of such a move can lead to heavy additional expenditure in the long run. But for companies facing serious cash flow problems, such arguments are a waste of time.

Despite pessimistic forecasts of car sales this year, 1,500,000—the fleet sector held up surprisingly well in the early months. There is growing evidence that buyers are backing off—no extent is not yet clear. The fleet market will continue to be large, but it is generally accepted that it will not grow for up to two years.

That suggests an even more aggressive price war than the one already under way between the four big companies with the imports adding in the confusion by trying to unload some of their excessive stocks. They will not find it easy, however. When cars are scarce fleet buyers can be persuaded to depart from their usual pattern of buying, but no such lure is there to help the imports to increase their share of the total United Kingdom market for new cars. Their proportion of private sales is now so high that it is to

the widest possible interpretation to the word British often include cars from Ford, Vauxhall and Chrysler which have been made in Germany, Spain, Belgium and France. Only BL meets the "Buy British" requirement in full.

Some companies insist that salesmen visiting them should arrive in a British car. This has led to a relatively new development: salesmen are being told to draw British cars from their company's transport pool for visits to customers operating such a ban. The practice is not widespread at present and seems to be aimed mainly at Japanese cars.

With more than two million unemployed in Britain, companies do not want to be seen to be supporting a product which does not contain a large proportion of British-made components. Companies face a bewildering number of ways of financing their car fleets. They can hire them for fixed monthly rentals, with the choice of doing their own servicing or including this in the rental. They can enter open-ended leasing arrangements which enable them to receive a rebate if the resale value of the car is higher than originally agreed.

Leasing has become big business in recent years. This in turn has led to another new development—the increasing use of specialist consultants to advise fleet buyers on the best vehicle for their purpose and the most appropriate method of financing to meet a company's individual needs.

At the top end of the fleet market—small numbers but high in profits—importers such as Mercedes-Benz, BMW and Volvo have made inroads at the expense of BL's Jaguars and Rovers. BL insists that such purchases cannot be justified on any cost effective basis. However, many senior executives are given freedom to buy a car of their own choice provided its price is within the limit fixed.

So far the fleet market has not been profitable for the Japanese, and with the strength of the present anti-Japanese lobby it is unlikely to change soon. But the four big companies are closely monitoring Japanese fleet sales; if the present voluntary agreement restricting Japanese imports to about 10 per cent or 11 per cent of the market is not renewed for 1981 they could be in for quite a battle.

Clifford Webb

More choice in four-wheel drive than ever

Registrations of light, four-wheel drive vehicles have been climbing in Britain over the past few years. In 1979, more than 10,650 went on (and occasionally off) the road compared with about 7,000 in each of the two preceding years.

The picture will not be quite so bright in 1980 but the four-wheel drive market has been much less depressed than that for normal cars. It has also become more wide open than ever before. At one time, the choice for a British buyer of a small vehicle, capable of operating cross-country, was a Land-Rover or Range Rover. In the past five years, however, the shortage of Land-Rovers and Range Rovers that led to delivery delays of months, even years, has encouraged the importers.

Now, the choice presented to the buyer of a recreational or working four-wheel drive vehicle has never been wider. The Land-Rover remains the most popular by far and, with its more expensive stable-mate, the Range-Rover, accounts for about half the total market.

Most of the rivals to these machines are from Japan although, curiously, the Toyota Land-Cruiser, which is popular in world markets, is no longer sold in Britain. It did not do very well when briefly marketed in Britain, perhaps because its engine was too large for British tastes. Sheer engine size, and the high petrol consumption that goes with it, has been responsible for a considerable decline in Jeep's fortunes in Britain, too. Even American buyers are looking askance at recreational vehicles with six-litre V8 engines and 10 mpg petrol consumption. The latest Jeep in the United States has a European-sized four-cylinder engine and a five-speed manual transmission. It can be only a straw in the wind.

At all events, Jeep sales in Britain in the first eight months of the year were down a quarter (84 against 338) of those achieved last year. Next to the Land-Rover, the most successful 4x4 utility vehicle is the Daihatsu, available in short and long wheelbases, diesel or petrol powered and competitively priced.

As it happens, Daihatsu is imported by the same firm that handles the Jeep. Like the Land-Rover, the Daihatsu is a completely conventional kind of machine. Its ancestry (like that of the vast majority of light four-wheel drives) is traceable back to the Second World War Jeep. That is to say it has half-elliptic springs front and back, a main gearbox and two-speed transfer gearbox and a four-cylinder engine installed in a massive chassis.

Its advantage is in having a diesel engine of nearly twice the cylinder capacity (2.5 litres compared with 1.6 litres) of the petrol engine. The owner who chooses diesel as so many do today, to reduce high fuel costs, finds that the vehicle is faster, harder pulling, more economical and it must be said, far noisier than the petrol model.

Diesel engines are, in fact, ideally suited to light 4x4s that are intended to wade rivers and splash around in axle-deep mud. There is no ignition system to waterproof, the slogging ability of a diesel helps to climb steep slippery hills

without wheelspin and should the vehicle be operated exclusively on a construction site it can run on the same untaxed gas oil used by the mobile plant.

The acquisition of a really up-to-date diesel is a high priority for Land-Rover, now in the middle of a drive to double output and improve the product. The latest manifestation of the classic Land-Rover has the same V8 engine and permanent four-wheel drive transmission as the Range Rover, though retaining leaf springs. It went on sale in the home market this summer, a year after being launched in Switzerland. The V8 Land-Rover, available only as a long wheelbase vehicle, was clearly intended to hold off the challenge from the Daimler-Benz Gelandewagen in the affluent leisure market of mainland Europe.

The Range Rover remains what it has always been since its introduction more than 10 years ago—the best vehicle of its kind in the world. Others may match its cross-country performance and even its ride comfort and handling on rough roads, but none combines these attributes with the Range Rover's visual panache. It was a brilliant piece of design by the styling team who were responsible for the Rover SD-1 executive hatchback. The Range Rover has changed only in detail during the past decade. Power steering was added, a cross-country machine developed for military purposes. It would be surprising if the system were not adopted for other Audi-VW vehicles in future, not all of them in the high performance class.

one in his right mind would dream of taking a car.

Finally, there is one four-wheel drive vehicle that is in the supercar class. The Audi Quattro, undoubtedly the most interesting car to appear in 1980 and a show stopper at Geneva last spring, has a turbocharged five-cylinder engine, permanent four-wheel drive and even a rear differential which locks. It has a top speed of 130 mph. Feeding the power to all four wheels, all the time, makes it uncannily sure-footed on any kind of surface, from dry tarmac to hard-packed snow, unmade tracks to black ice. Audi even claims that its four-wheel drive saves a little fuel because the mechanical losses in the transmission are more than compensated for by a reduction in rolling resistance of the tyres among which the power is distributed equally.

Britain, alas, has nothing to compete with the Quattro. The Jensen FF, with the Ferguson system of all-wheel drive and anti-lock braking, died some years ago and no commercial use is now being made of the Ferguson patents, in which rights were bought by GKN.

The Audi Quattro's all-wheel drive system is based on components from other Volkswagen vehicles, including the 1115, a cross-country machine developed for military purposes. It would be surprising if the system were not adopted for other Audi-VW vehicles in future, not all of them in the high performance class.

Stuart Hayes



Two of the wide range of four-wheel drive vehicles available in Britain. The latest V8-engined Land-Rover showing its ability to handle deep mud and (right) the smaller Daihatsu.

Foreign inroads worry component makers

The British motor component industry, traditionally the strongest in Europe and the envy of our continental neighbours, is struggling to find a new role for itself. It is not simply a question of widespread short-termism in its factories resulting from the growing recession in world sales, but the long-term implications of the massive penetration of its home market by foreign vehicles.

Imports are now accounting for nearly 60 per cent of all cars sold in Britain and with United Kingdom component exports becoming seriously over-priced because of the continuing effect of an over-valued pound, these cars contain fewer British parts.

That is not all. British based motor manufacturers, including B.L., are buying overseas components because to ignore cheaper parts will place them at a serious disadvantage.

Home market orders for components have not diminished overnight; the signs have been there for more than 10 years. Firms like GKN, Lucas, Associated Engineering and Automotive Products have been quietly establishing overseas manufacturing bases by acquiring existing foreign companies and, where this proved impossible, by expensive greenfield site developments.

But the home market is still the bedrock on which the prosperity of these groups depends. No amount of foreign investment can replace home losses in their entirety.

In 1972 British car production reached a peak of 1,900,000 units. Last year it was down to a depressing 1,070,000. This year it will be even lower. As the managing director of one of the major British component firms says: "That is a recipe for bankruptcy in the long term."

Individual component makers are reluctant to attack the importers' gains on the record. Collectively they are doing their best to make a strong case for some form of import restriction. As Britain is a member of the EEC, they have to accept free access by fellow Europeans which means that their lobbying is largely aimed at the Japanese and Eastern block countries.

Because of the minimal inroads made into the Japanese home market by foreign cars and the difficulties encountered by EEC car makers in establishing sales networks there, the anti-Japanese lobby is the one which finds widest public support.

Most of the collective campaigning is being undertaken by the British Automotive Parts Promotion Council (BAPCO) which is financed by several of the leading British component firms. BAPCO is using every avenue to publicize its claim that the Japanese are exporting unemployment. It estimates that the present United Kingdom component labour force of 440,000 will be reduced by 32,000 in the next few months, with a further 50,000 in the next three years.

To underline the point BAPCO says that every foreign car sold in Britain represents a loss of 12,000 components in original equipment and replacement parts. As the number of foreign cars on our roads increases (they already represent one in three) the profitable replacement market will shrink even more.

But the picture is not quite so black because of action being taken by firms like GKN, Lucas and others to supply replacement parts for a wide range of foreign cars. GKN has gone a stage further by establishing a rapidly expanding chain of retail spare outlets. The strategy is simple. GKN wants full control of its products from manufacturing to purchase. In that way it hopes to make up for diminishing orders from the motor firms for original equipment.

The changeover from the huge "American" gas-guzzler to more economical European sized cars has forced Detroit into the biggest re-equipment programmes ever undertaken by an industry which is accustomed to dealing with investments costing several hundred millions. Because of the speed with which this massive changeover has been carried out Detroit was forced to turn to British and continental component firms for skill and technology in dealing with smaller-sized cars.

But visions of a huge transatlantic market for British components were dispelled. The Americans would have nothing to do

with direct exports involve long vulnerable supply lines. They would deal only with component makers who were prepared to invest in establishing manufacturing facilities near their own customers.

GKN, with its world lead in front-wheel transmission joints, and Lucas, with its diesel injection skill, were lucky in that they had the ability to drive a hard bargain and the capital to build plants in America.

Even then it is unlikely to be plain sailing. Many observers believe it is only a matter of time before the ability to drive a hard bargain and the capital to build plants in America.

The big talking point in the British component board countries is to ensure that the sort of price advantage Volvo could afford to put up with the inconvenience of supplies interrupted by strikes and the strike problem was not as bad as the media often made out. Volvo took care to select only suppliers with a stable labour relations record and even then insisted that they maintain several weeks' stocks at the docks in Britain or, in some cases, in Sweden. The strong pound has seriously eroded that price advantage by as much as 15 per cent.

Clifford Webb

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The unavoidable conclusion is that the trend towards the formation of fewer and bigger groupings will continue. It is not only the recession in world markets which forces small firms to seek safety in the arms of their bigger brethren; there are two other significant factors.

The ability to develop new technology components is the prime objective and as cars become more advanced the cost of development becomes prohibitive for all but the biggest. Side by side with the introduction of new technology is an even bigger incentive for mergers—the advent of the so-called "world car", of which Ford's new Escort is a prime example.

Ford and other multinational motor groups are insisting that where possible key components are supplied from at least two different countries to ensure that the sort of price advantage Volvo could afford to put up with the inconvenience of supplies interrupted by strikes and the strike problem was not as bad as the media often made out.

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saving advantages to be gained by dealing with a single multi-national component supplier.

Another development worrying British component firms is the future purchasing strategy of Volvo, far longer their biggest single overseas customer. Volvo bought £100m worth of components in Britain last year. This year it is increasing its orders to £125m and would clearly be reluctant to switch to other countries when it has such well established links here.

In the days of the low value pound, British component makers were among the cheapest in Europe. For big companies have built up a reputation for reliability and the inconvenience of supplies interrupted by strikes and the strike problem was not as bad as the media often made out.

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Safety without armour plate

Cars have been with us for more than 90 years but in the past 30 years or so they have become a lot more than just a means of transport. They have become a part of our lives, a part of our identity, a part of our security.

But what if we could have the best of both worlds? What if we could have the safety of a tank without the bulk and expense of one? What if we could have the safety of a tank without the bulk and expense of one?

There is a measure of self-defence in the part of the carmaker's job which is to make a car as safe as possible. It is a job which is as old as the car itself. It is a job which is as old as the car itself.

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who will shut their doors for good.

The unavoidable conclusion is that the trend towards the formation of fewer and bigger groupings will continue. It is not only the recession in world markets which forces small firms to seek safety in the arms of their bigger brethren; there are two other significant factors.

The ability to develop new technology components is the prime objective and as cars become more advanced the cost of development becomes prohibitive for all but the biggest. Side by side with the introduction of new technology is an even bigger incentive for mergers—the advent of the so-called "world car", of which Ford's new Escort is a prime example.

Ford and other multinational motor groups are insisting that where possible key components are supplied from at least two different countries to ensure that the sort of price advantage Volvo could afford to put up with the inconvenience of supplies interrupted by strikes and the strike problem was not as bad as the media often made out.

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VAUXHALL  

INTERNATIONAL MOTOR SHOW

On this and the facing page, **John Blunsden** looks at specialist cars and **Peter Waymark**, our Motoring Correspondent, reviews the new models emphasizing British Leyland's 'make or break' Mini Metro; the threefold purpose of the Ford Escort; the Rolls-Royce Silver Spirit; and cars from abroad

Specialists seem to thrive on their independence

The announcement by Rolls-Royce of the Silver Spirit and Silver Spur as replacements for the Silver Shadow and Silver Wraith respectively, and of a Bentley Mullanne as the new successor to the T2 saloon is a timely reminder that while big manufacturers are preaching the gospel of growth or merger as the only route to survival, the specialists seem to be thriving on their independence.

There is no denying that the new Rolls-Royce and Bentley range has arrived at just the right time, and that without it the company's forward order book would have lost the healthy appearance which has characterized it for so many years. Nothing which moves on wheels is easy to sell any more, and even the most famous and respected radiator in the world is no guarantee against the repercussions of a global recession. Rolls-Royce will be bolstered considerably in the difficult times ahead by the eager replacement market which the new models have inevitably generated.

Brand loyalty is one of the most effective assets a small company can have in a depressed market, and this usually stems from a product range of unquestioned quality and integrity backed by a management in close contact with its ultimate customers through the medium of a small number of carefully selected and constantly monitored dealerships. Concentration on these areas has helped very small (in motor industry terms) concerns like Aston Martin and Bristol (who market direct) to survive in an extremely difficult climate, and even to offer considerable hope of prosperity during the 1980s.

Lotus, some years ago, took a bold but firm decision to move its product range up-market. It was a considerable gamble because it meant to a large extent parting company with a considerable proportion of its traditional market among young enthusiasts. In the transitional period the company endured considerable agonies, but in retrospect it can be seen as the move which probably safeguarded its future.

It has enabled Lotus to remain a small manufacturer in volume terms, which in turn has conserved overheads and allowed the manufacturing effort to be concentrated on improving quality and efficiency rather than on increasing output; smallness spells greater flexibility, and can also contribute to greater autonomy. For the specialist manufacturer survival and ultimate prosperity depends in part on ensuring that your market exceeds your manufacturing potential.

In a Utopian situation, the specialist would produce just one car a year and sell it for a price which would cover all his overheads, provide the capital reserve necessary to finance the manufacture of next year's car, and still leave enough profit after tax to make it all worth while.

The real world, of course, is very different, but a classic example of how a car manufacturer can remain healthy by purposely restricting his manufacturing base is Morgan, the demand for whose products has consistently outstripped supply. For Peter Morgan it has been necessary to perform a balancing act, maintaining a demand-production ratio which on the one hand ensures the continuing good health of his company and on the other does not cause such a long waiting time that potential buyers lose their patience and look elsewhere.

In this, of course, he is aided considerably by the 1930s-style appearance of



The Bristol Beaufighter, said to have the highest acceleration of any four-seat automatic.

the Morgan which has so many devotees. Those who have sought to sell modern replicas of past classic-style sports cars have, in the main, been less successful.

TVR is an example of a British manufacturer for whom a lot of hard work and skilled management have paid the handsome dividend of survival against considerable odds (including a disastrous factory fire some years ago). Until recently the one worry was a rather outdated product line, but this has now been rectified with the introduction of the stylishly up-to-date Tasmia, a car which exudes a flair not unlike that of the Lotus Elan.

Among the smaller manufacturers Reliant is unusual in that it is concerned with three distinctly different markets: it produces three- and four-wheeled economy cars and commercial vehicles, it has the Scimitar range of Ford-powered coupés and convertibles, and it manufactures cars knocked down for overseas final assembly. Diversification of products, and there-

fore of markets, has brought both headaches and benefits to this restructured company but it has shown considerable resilience in the past and the product line-up at Birmingham this week, which includes another new design for overseas manufacture, points to a certain optimism for the future.

Of all the overseas specialists, Porsche is perhaps the strongest, with a widely-based product line backed by engineering facilities which are at the disposal of much of the world's motor industry. Porsche design and development skill is to be found in many a product carrying another manufacturer's name.

The recent weakening of the United States market has called for a revised marketing plan with greater emphasis on European sales, but there seems little chance of the independence of this well-run company being threatened by the present economic climate.

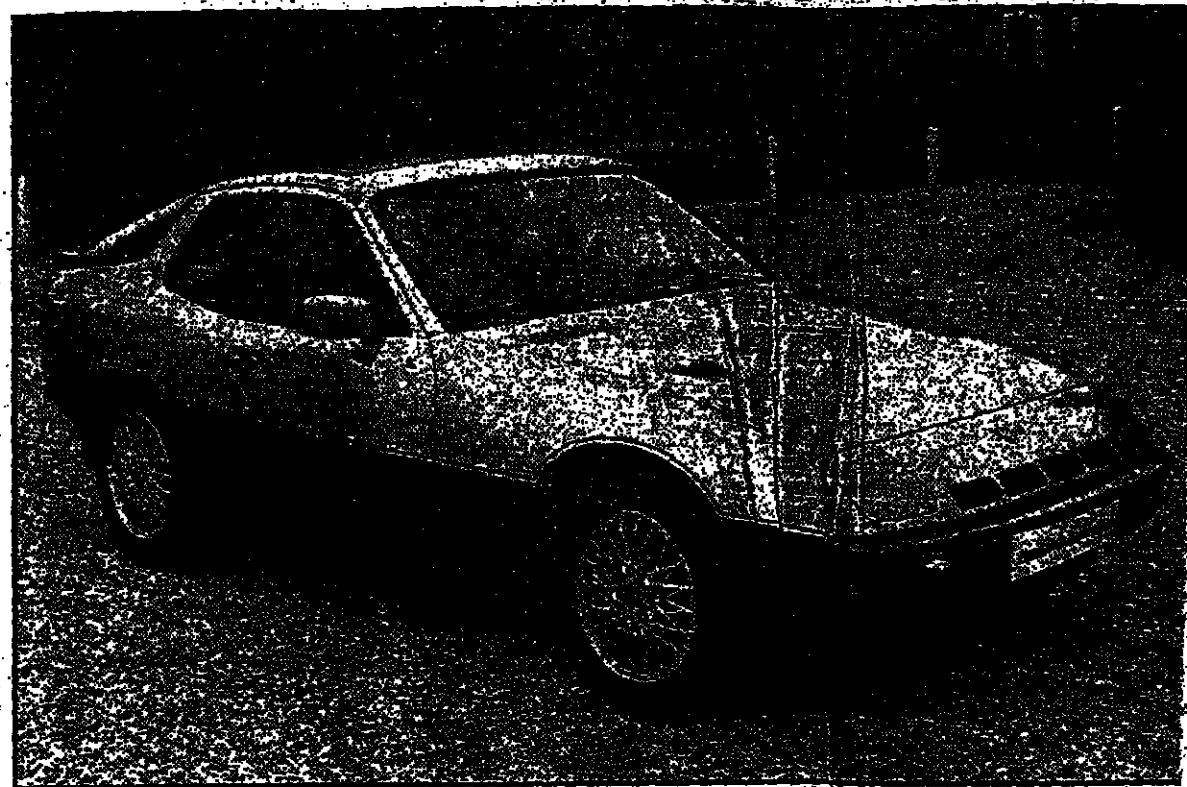
Ferrari is owned by Fiat, and however large the problems confronting Italy's largest manufacturer, it is inconceivable that the money necessary to ensure the survival of this great name will not continue to be forthcoming. That a fortune is spent on running a Ferrari Grand

Prix team speaks for itself—Ferrari is here to stay, and there are some exciting turbo-charged products on the way.

The Maserati and De Tomaso combination lacks the benefit of a benevolent patron, but there is an interesting and remarkably varied product range and, within Britain, a new distribution organization to help to boost sales.

Here again we have the example of a company (or in this instance two, which were joined) which from time to time has seemed doomed to disappear, a victim of intolerable financial burdens.

Yet it has survived, and almost certainly it has done so because it is small and therefore flexible. This, perhaps, has been the most important ingredient common to all the specialists—their manageable size and the freedom of action which this has given to their dedicated managements. In the motor industry of today, and even more important, of tomorrow—in order to survive it would appear necessary to be either small or extremely large; it is in attempting to negotiate the waters between the two going becomes so tough and so many seem doomed to founder.



The Scimitar GTC from Reliant: this restructured smaller company has shown considerable resilience. Top: the Porsche 924 turbo, noted for its non-thirsty performance.

Metro hopes to comply with a tall order

BL's first idea in planning what became the Mini Metro was a straight replacement for the Mini. Prototypes, then carrying the code name ADO 88, were shown to the public at product clinics and decisively rejected as being too stark and functional. So it was decided to leave the Mini, which was still selling steadily, in production and go for a different type of car.

The Mini was seen by BL principally as a town car and a second car. The Metro, that much bigger, particularly inside, could be a first car which was able to take a family of four. In a way BL was only catching up what Fiat had done nearly a decade before with the 127, what Renault had done with the 5, and so through the Polo, Fiesta and Visa.

Coming late into a com-

petitive sector, the Metro had to offer something that these existing "superminis" did not. It was a tall order but now that the car has arrived BL can claim supremacy in two important areas: interior space and fuel economy.

Packaging is, motor industry jargon for creating the maximum usable space inside the car in relation to the overall dimensions. By any yardstick, the Metro is exceptionally roomy for its class. At 11ft 2in, nearly 8in shorter than some of its rivals, it offers as much, in some cases more, head, leg and shoulder room than all of them; and as good, or better, luggage space.

One small but brilliant touch adds to the versatility of the tailgate and the folding rear seat. That rear seat is split into two unequal portions and each can be folded down separately. So while the longer portion can

take two children, the shorter bit can be collapsed to make way for a case, and the Metro could be used for the family holiday.

The car's smooth shape and substantial improvements to the venerable A series engine have combined to produce fuel consumption that makes one Metro model—the high compression, high geared HLE—the most economical of any car in production. Sunday figures may be artificial in relation to driving practice but they do provide a basis for comparison and no car can match the HLE's 58.3 mpg at 56 mph or 41.7 mpg at 75 mph for the 83 mpg returned by the Automobility Association driving the car at a constant 30 mph.

Apart from being roomy and economical, the Metro scores well on drivability with light, accurate steering and excellent roadholding.

The 1.3-litre engine gives brisk performance and the more economical one-litre unit is far from sluggish. On the practical side, the large area of glass affords maximum visibility, and thanks to its size the car is easy to manoeuvre and to park.

There are a few minus points which may make the Metro more difficult to sell on the Continent where the competition is so fierce and where, arguably, drivers demand more from their cars. The gear change is not as slick as it might be, the ride does not have the smoothness of the best small French cars and the level of engine and transmission noise is a little disappointing after the example set by the Volkswagen Polo.

With its outstanding fuel economy, low maintenance costs claimed to be lower than on the main competing



models, the Metro should be marketed as the Japanese lure of these to a cheap car to run. It is the Toyota Starlet. But in the end the Metro's highest accolade will have to be paid as the car of the future. The experience of a four-year-old car is said to be a significant factor in owners' decisions. The Metro is almost half as expensive to the planning and manufacture.

Escort looks another winner

The new Ford Escort, which is being built in both European and North American versions, has a threefold purpose: to roll back Japanese small car imports in the United States; to improve Ford's moderate showing in Germany and to help to maintain the company's dominant position in the important British fleet market.

Since for some years the Escort has been the most popular model in Britain after the Cortina, the new car, which is technically far more advanced, should make an even bigger impact. First, however, there are prejudices to overcome for the fleet buyer has traditionally shunned features like front-wheel drive which have a reputation for being expensive to maintain.

The new Escort retains the name, but almost nothing else from the previous model. To compete effectively on the Continent, Ford had to go for advanced engineering and

this explains the change to front-wheel drive and independent rear suspension. There is a new engine range and the body is also new, with a tailgate as a standard feature.

The styling is unusual, mainly on account of the "bustle" which performs the dual function of helping to lower the drag factor, thereby improving performance and fuel consumption—and making the Escort look sufficiently different from the road from half a dozen other similar cars.

Although slightly smaller overall than before, the car is roomier inside (one of the benefits of front-wheel drive) and offers ample space for up to five adults. The boot, too, is bigger and load space can be greatly extended by folding down the rear seat. A compact length of 13 feet makes the vehicle handy for tucking into tight parking spaces.

Three engines are used in

the new Escort range. They are a 1117cc overhead valve unit which comes, in modified form, from the Fiesta, and 1296cc and 1596cc versions of the new Bridgend-built combustion design with alloy cylinder head. Including the Bridgend engine plant, one of the most modern of its kind in Europe, the Escort project has cost Ford some £500m.

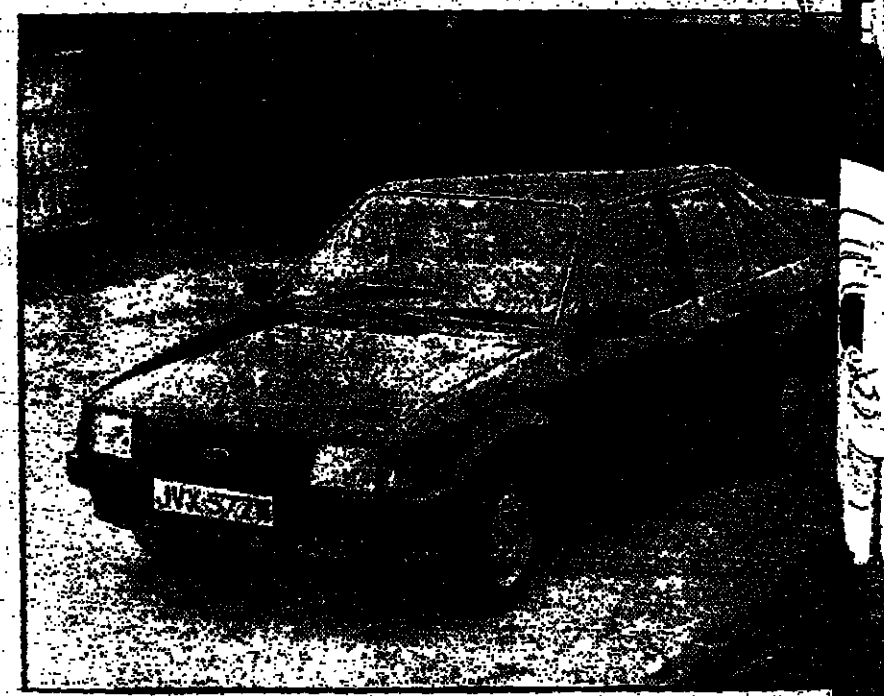
All three engines give lively performance and better fuel economy than the previous Escort units, though consumption is competitive for the class of car rather than setting any new standards.

One of the best features of the car is its handling, taut and responsive, helped by good brakes, accurate steering and a typically crisp Ford gearbox. Even in its bread and butter versions, the new Escort has a sporting feel about it, though there is a special high performance version, the XR3i, for the enthusiast.

The level of engine noise is somewhat high and another criticism concerns the ride which, independent rear suspension or not, is harsh and choppy over any but the blindest surfaces.

As on other recent models, Ford has been at pains to keep maintenance costs to a minimum and the servicing requirement is less than two hours in 11,000 miles driving. The new Escort is also claimed to be a difficult car to steal, with police lock-picking experts taking 20 times longer to break in than they did on rival cars.

There are three-door and five-door hatchback versions and an estate. Prices start at £3,374 for the basic three-door 1100, while the most expensive model is the 1600 Ghia five-door at £5,032. If Ford can convince fleet buyers that the new Escort is as reliable as conventional rear-wheel drive models, it looks to have another British winner.



Industry puts on a brave face

continued from page 1

open a factory in the United States and Ford in America, while publicly calling for a block on Japanese imports, has been talking to Toyota about assembling cars in its Detroit plants.

The longer-term American answer to the Japanese must be to build more smaller, economical cars. This has the important side advantage that one basic model can, for almost the

first time, serve both the American and European markets. The "world car" planned in Detroit but made in several continents, will become an increasing part of Ford and General Motors strategy.

For European manufacturers the twin threats of the Japanese and the Americans will mean a closing of the ranks, so that while the different brand names will continue to compete in the showrooms they will share common com-

ponents such as engines and gearboxes. Already many of the leading European car makers are linked, either by actual merger—as with the Peugeot-Citroën-Talbot group—or by joint production agreements.

The motor show, meanwhile, is an opportunity for the industry to put a brave face on things and display the new models that it hopes will eventually pull it out of the trough. Reassuring is fortunate in coincidence with the launch of BL's

Mini Metro: the new Ford towards diesel and turbo-facilities that Birmingham

It should make more relaxed and more ordered show, even people attend than. Given the economic however, the car could be down on a with informed goes this is at anything 700,000 and 850,0 show is open until charges are £5 on day and 22 thereafter

Unsurprisingly, the very attendance, created Exhibition Centre, in 1978, severe overcrowding inside attracted 910,000 people, a the halls and long queues quarter of a million more outside. The suggestion here than the previous record set taken steps to prevent this with informed goes this is at anything 700,000 and 850,0 show is open until charges are £5 on day and 22 thereafter

This happening again, partly by response, emphatically vindicated the decision of the Society of new show hall and partly by Motor Manufacturers and spreading the car stands, Traders, to take the show which are the most popular out of the capital. In the year three halls instead of more modern and spacious one.

Peter We

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Special Report

R-R changes discreet rather than radical

Designing a new Rolls-Royce is a delicate art of balancing tradition and innovation and tradition. The new Silver Spirit is the first since the Silver Shadow was launched in 1965 but the changes have been discreet rather than radical, and Shadow owners will have no difficulty recognising the affinity. Tradition begins with the naming of the new range. After the Silver Ghost, Dawn, Cloud and Shadow comes the Silver Spirit and, for the long wheelbase version, the Silver Spur. The Bentley model, identical apart from its radiator grille, is called the Mulliner. The straight-on, front-wheel-drive car in France which was the scene of Bentley's triumph in the Le Mans 24-hour race.

The styling is also in the traditional mould: the design team began with the same four-pronged as the Shadow and the same aim of making a large, elegant, aerodynamic car. Aerodynamic considerations also came in for the lower the drag factor the better the fuel consumption.

The result is a happy fusion of aesthetics and engineering expressed in the smoother lines, sharper rake of the windscreen, higher tail and a horizontal headlamp treatment which emphasises the car's slightly lower head and to the feet.

What the new car does not do is make any concessions to the energy saving climate. It is not smaller, lighter or significantly less thirsty, and it can be argued that a vehicle more than 17 feet long returning only 12 to 15 miles to the gallon is irrelevant to the mounting conditions of the 1980s, which are largely determined by the need to save fuel.

Rolls-Royce has two answers. The first is that people who have £50,000 to buy a Silver Spirit are not going to worry about the cost of petrol; nor is an output of only 3,300 Rolls-Royces a year going significantly to deplete the world's energy reserves. The rationale of the Rolls is to provide the highest standard of craftsmanship to the select few who can still afford it.

The other answer is that Rolls-Royce has, for some time, been working on a smaller version of the engine and should have it ready in two or three years. There will be weight reductions, too, and a modified transmission with an over-drive fourth gear. In the longer term, there could be a smaller car and the Spirit's bodyshell will definitely not last as long as the Shadow's.

Meanwhile, the Silver Spirit looks more than capable of enhancing the Rolls-Royce reputation.

If the star attractions are likely to be the Mini Metro and the Rolls-Royces, the motor show will also be a chance to catch up on the many new foreign models appearing in Britain for the first time. In this category come the latest offerings from Vauxhall and Talbot.

The German-built Vauxhall Viceroy is a large saloon which fits into the range between the Carlton and Royale. Five inches longer than the Carlton, but similar in styling, it is powered by a 2.5-litre six-cylinder engine and costs £7,854. The same car is being sold under the Opel badge as the Commodore: there are two models, with different levels of equipment, at £7,714 and £8,702.

Talbot is showing its new executive saloon, the Tagora, which looks like a stretched version of the Solara. To be made only in France, the Tagora is due to arrive in Britain in the spring and there will be a choice, eventually, of three engines. At first it will be offered with a 2.2-litre four-cylinder unit, but a 2.6-litre V6 and a 2.3-litre turbo-charged diesel engine will be available later. The car replaces the Two Litre and should improve Talbot's performance in this part of the market.

Those who think that the Silver Spirit is a little expensive may be attracted by the 500 SEL Mercedes, the top model in the revised S class range which goes on sale in Britain after the show. Mercedes sees the new S class as an exercise in "making the big car respectable": thanks to better aerodynamics and reductions in weight, the range is said to be 10 per cent more economical than before. Power units are two new V8 light alloy engines, of five litres and 3.8 litres, and the existing 2.8 litre twin overhead camshaft. Prices are from £15,300 to £23,900.

Audi is showing two models new to Britain, the four-wheel drive Quattro and the Coupé. The Quattro, which has been hailed as one of Europe's most exciting cars, is a luxury sporting four-seater powered by a 200bhp turbocharged 2.2 litre engine and has vivid performance. It will be

Catching up on the foreign models making their debut

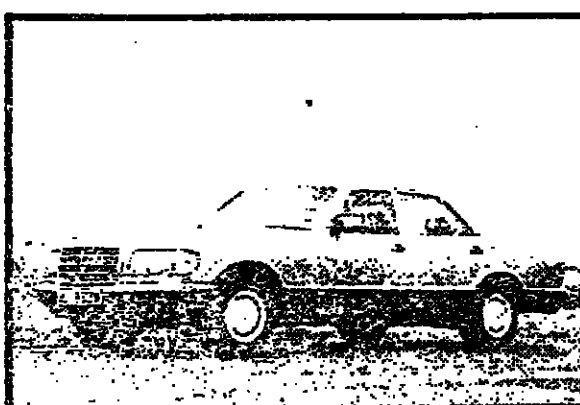
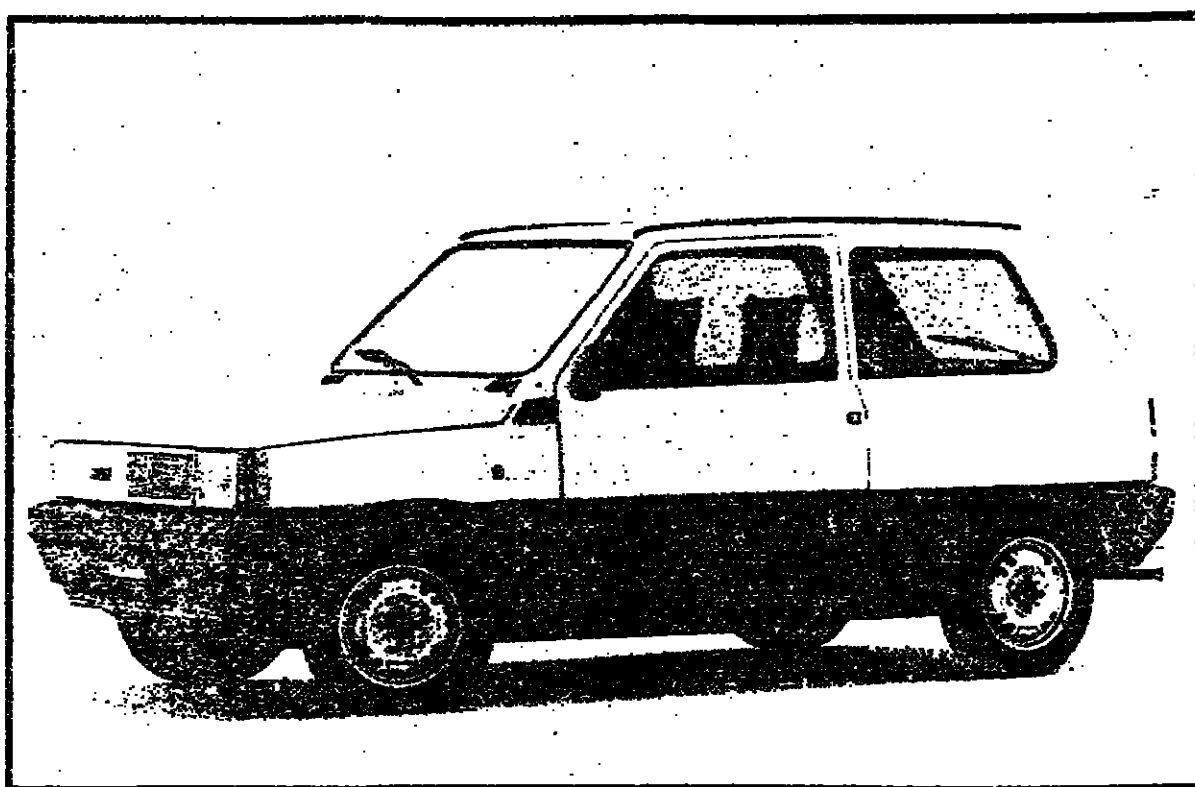
available in Britain next year, in left hand drive only, and is likely to cost around £15,000. The Coupé, which shares the Quattro's bodyshell, has a 1.9-litre engine and is particularly good on economy and refinement. It, too, will be here next year.

Renault has its new coupé at Birmingham, the Fuego. Unusual for Renault in carrying a name (Spanish for "fire") rather than a number, the Fuego is the successor to the 15/17 series and based mechanically on the 18 saloon. There is a choice of 1597, 1647 and 1995cc engines and prices start at £4,489. The cars go on sale immediately after the show. Another Renault making its first appearance in Britain is the turbo-charged 18 which promises lusty performance and will be available next spring.

The main attraction on the Fiat stand is the little Panda. Styled by Giugiaro of Ital Design, and similar in size to the Metro, it is a practical, versatile car with seven different rear seat settings. Fitted with an economical 903cc engine, it has become the third best selling model in Italy after the Fiat 127 and Strada. The British launch may not be until well into 1981.

Another new car from the Fiat group is the Lancia Trevi, a four-door saloon with conventional three box styling, which is similar mechanically to the Beta range. It will be launched in Britain next year in 1600cc and two-litre versions and is said to have a spacious interior and a high level of equipment. Fiat also owns Ferrari, which has a new model at the show called the Mondial 3. Replacing the Dino 308 GT4, it has a bodyshell designed by Pininfarina and is powered by the Ferrari three-litre eight-cylinder engine, newly fitted with fuel injection and electronic ignition.

After a gap of 15 years, Alfa Romeo is again offering a six-cylinder model. The Alfa 6 is being produced in fairly small numbers and aimed high up the market, as the British price of £11,500 suggests. The Alfa six-cylinder tradition stretches back to the 1920s: this one has a 2.5 litre engine, developing 160bhp, and has been well received on the Continent.



The new S class Mercedes-Benz. Right: the Renault Fuego GTS. Top: the Fiat Panda 45.



The Rolls-Royce Silver Spur has a four-inch longer wheelbase to provide additional space in the rear compartment.

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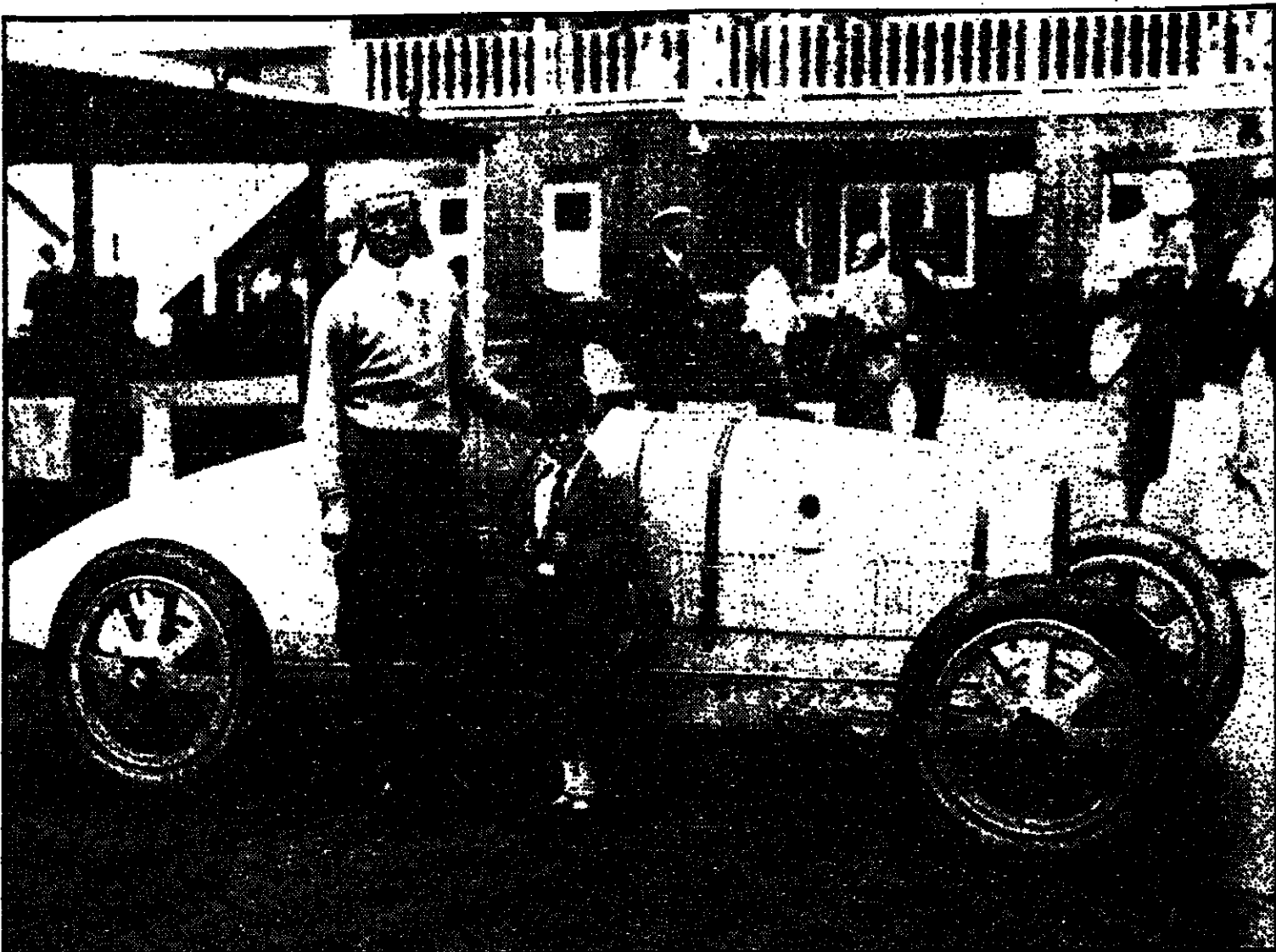
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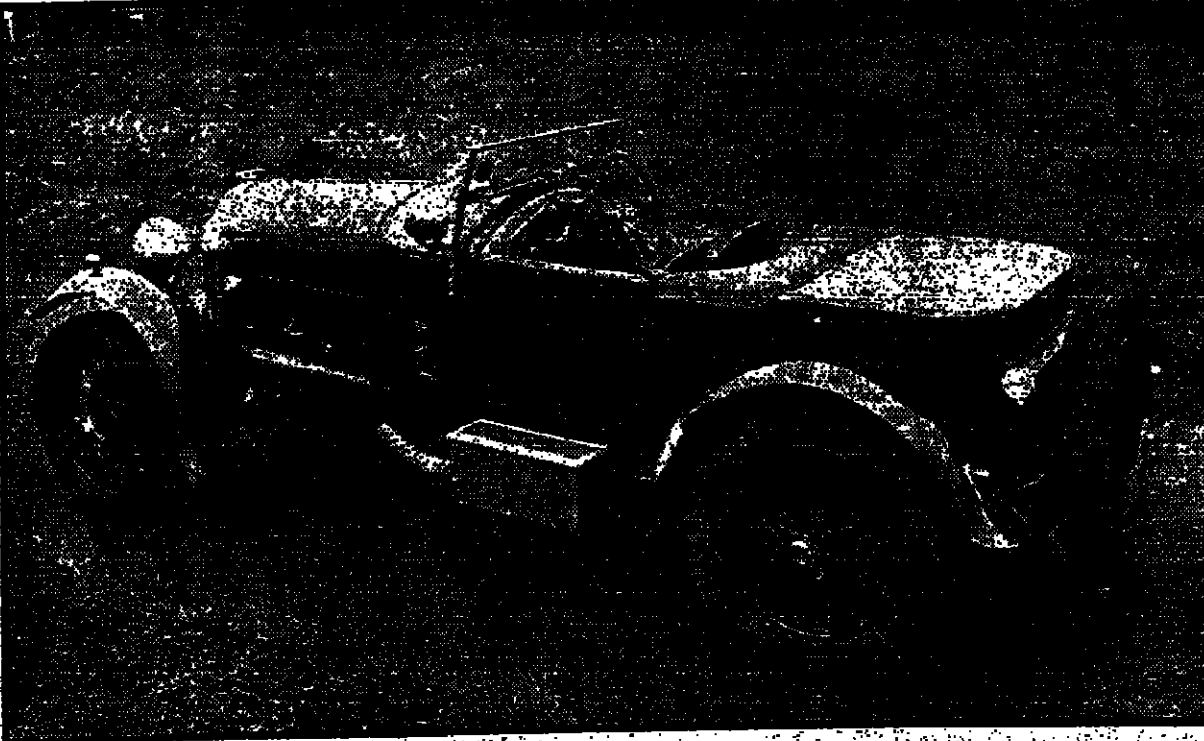
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Cars such as the Grand Prix Bugatti (left), photographed with Malcolm and Donald Campbell at Brooklands in 1927, and the vintage Bentley (right) began to soar in value about 20 years ago.



Bottom drops out of market for bangers

The soaring value of old cars, which began as a nine days wonder about 20 years ago, seems to be slowing rather faster than inflation. As the peak anything would fetch a high price provided it was old, but nowadays buyers are more discriminating and the rubbish does not sell at auctions any more.

Some months ago a Mercedes made more than £200,000, but it was in the United States and it was the right model with chrome outside exhausts and all the glamour that the Nazi party leaders liked. Even so one expert has commented that the 38/250 and later versions had a 'supercharger' which when engaged made a lot of noise. This encouraged the inhabitants to imagine they were going faster even if it had a negligible effect on the performance.

There was some sour grapes about this, but it does make the valid point that all that glitters is not gold with ancient vehicles. Once upon a time we ran out cars until they were 'out of repair' or 'too expensive' to repair, when as often as not they were forgotten in a barn or dumped in a field.

Then came the golden age of the collectors of classic cars, the vintage cars, and the race for riches was on. Long ago the owners of pre-1904 cars started the annual Brighton Run for what you must never call old crocks. At one time it was sponsored by a newspaper. Veteran cars are not practical transport but delicate devices which must be coaxed to Brighton once a year, and have not been so popular with 'investors' which means speculators, or pop stars as the later vintage vehicles, which ceased to be made in 1930.

The vintage vehicle can be (and was) driven every day until values shot up and they went into the cupboard, if not with the best china, at least on the same terms, for use on high days and holidays. Items like the Alvis Speed 20, which we used to buy for a £120 or so, are now worth — or more accurately sell for — thousands of pounds, although they do not go as well as the commercial traveller's Corvina.

The vintage car boom began with a group of young men who founded the Vintage Sports Car Club in 1934 on the premise that no car fit for a gentleman to drive had been made since 1930. They objected to the bus-loads of the day with small high-revving engines which they regarded as inferior to the slow-revving big engines of Bentleys and the like.

The Vintageists went on enjoying themselves, and having their own races, until the post-war proliferation of money in hands, which did not know what to do with it, meant that the vintage car became the fashionable thing for the pop stars and their hangers-on. Less than 20 years ago I bought a pre-war Rolls-Royce for £50 and a Bentley for £125, which are both now a terrorist's ransom now.

Bentleys used to be worth £10 a litre (the smallest is a three-litre) but now £2 is more like £13,000 a litre or more, and they are one of the marques still holding a good price, along with the Rolls. There are almost 100 one-make clubs catering for the owners of machines of which you have probably never heard.

Christie's and Sotheby's pause between diamonds and Persian carpets to sell old cars, although the bottom has rather fallen out of the auction sales now. They have tried them in Sotheby's, home of the National Motor Museum, in Holland, Geneva and the United States. But even though Mr. Patrick Lindsay, who runs Christie's is one of the leading vintage racers, he admits that there is less money in selling a car which involves much portering and loading, than a diamond which a man can bring in his waistcoat pocket.

The vintage and historic races still go on, and people risk, prizes, helmets in such events, although some cars are accused of building new 'old' cars, and some racing drivers stalked off the grid when Stirling Moss appeared in one of those with a 'doubtful pedigree'. But the boom is not what it was, although a whole industry has grown up to supply clothes of old spare parts, burnished upholstery, ancient engines, ancient lamps and other gear.

Museums are proliferating, too, although the Schenck Brothers sent shock waves through the old car movement when they were exposed to the public. They ran a textile business in Alsace and had also collected about 1,000 old cars in purpose-built accommodation which their workers alleged came out of company funds. The company went bankrupt, the brothers fled to Switzerland, and now legal disputes are in progress.

The brothers tried to collect every surviving Bugatti, and there is a large number, and Bugatti owners dread the possibility that the French Government will flood the market with all these genuine articles and turn them overnight.

The old car boom is adding to the creation of an industry, has brought into being sales of motoring literature (old car books), mascots, handbags, badges, clothing, paintings, prints, and if people are growing tired of the whole thing a lot of fingers will be burnt. The proposal to tax all cars, whether they are used or not, has also put the cat among the pigeons in the old car world, even though veteran and vintage cars are promised exemption. Some countries ban old cars from the roads except on certain occasions, and that could happen in Britain, too. Is it the thin end of the red flag?

George Bishop



Parliament Square is as hard on brakes and clutches as Brands Hatch.

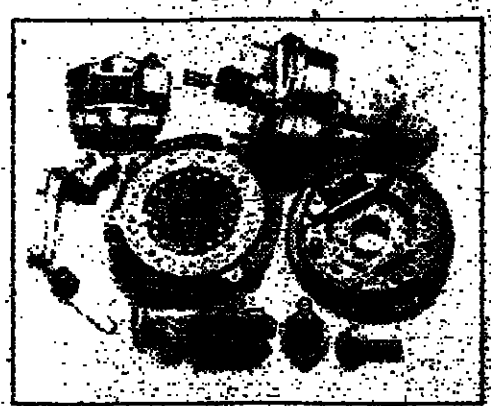
With today's roads getting more and more arduous, it is not surprising that people are demanding more of the clutches and brakes they use.

That's why many major British and European manufacturers fit Borg & Beck clutches and Lockheed brakes.

Because they've been proved time and time again on the world's Grand Prix circuits.

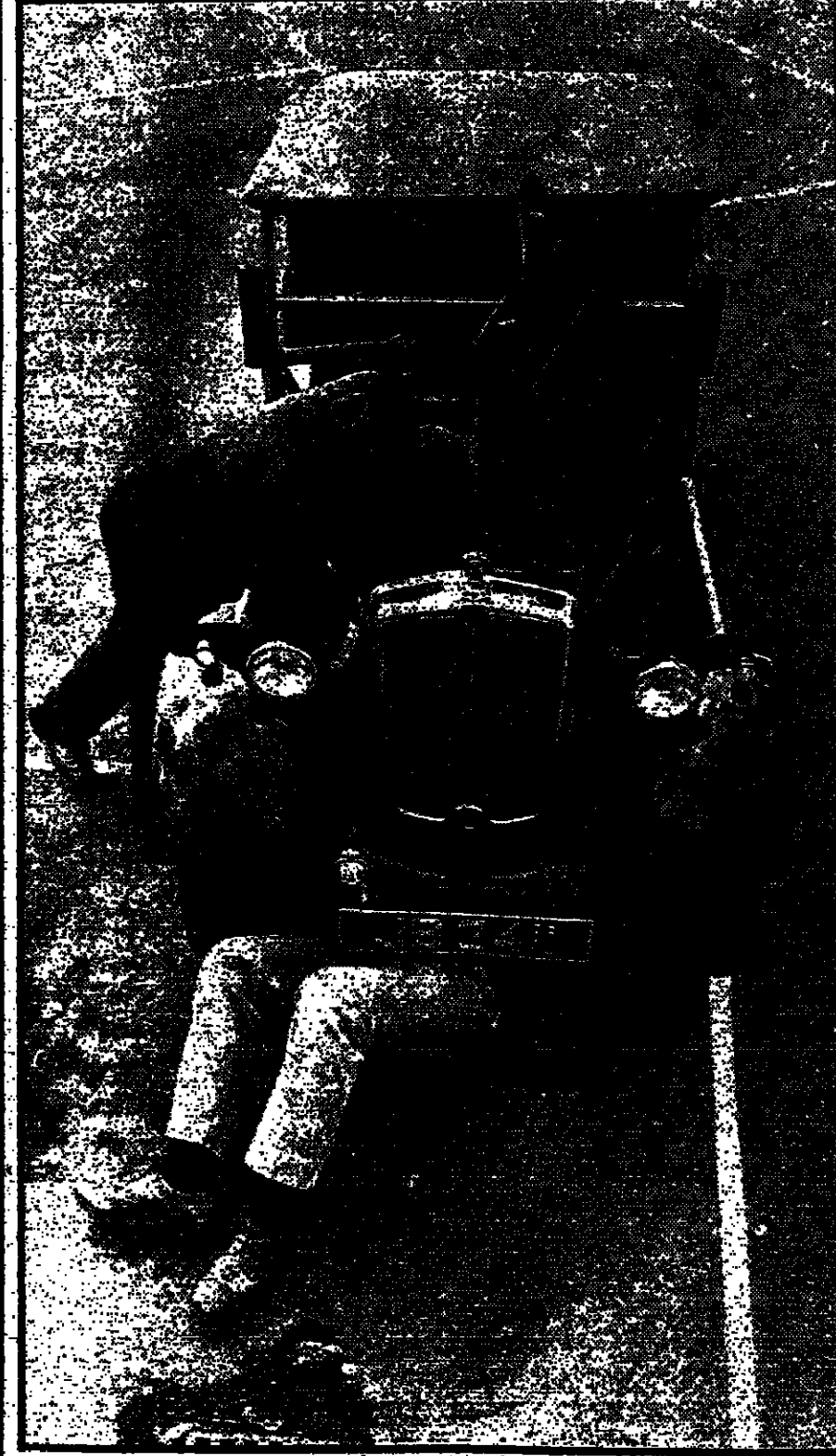
In fact more Grand Prix races are won on Borg & Beck and Lockheed than anything else.

And the experience we've gained on the track, we apply to every part we make.



Automotive Products Limited, Leamington Spa, Warwickshire.

Manufacturers of Lockheed brakes, Borg & Beck clutches, Lockheed steering and suspension, AP filters, AP silencers and AP automatic transmissions.



A picture that recalls the words of a popular music-hall song of the early days of motoring: "Get out and get under."

The Fuel

مکتذا من لاصیل

Peugeot 604

"See the 604 D-turbo and its unique engine on the Peugeot stand at the Motor Show!"



46mpg

D-turbo

The luxury car for the eighties. Fuel consumption in the forties.

The New 604D-turbo

Announcing the new Peugeot 604D-turbo. The first turbo-charged diesel production car available in Britain. Never before has a luxury car offered the comfort of a limousine with today's economical needs and with tomorrow's ecological demands. Consider these important advantages.

Economy

When has a luxury saloon car ever been able to offer fuel consumption up to 46.3 mpg? (Just compare that with the Mini at 48.5 mpg). And around town in traffic the D-turbo returns an incredible 29.4 mpg against 16.2 mpg* of the aerodynamic Rover 3500.

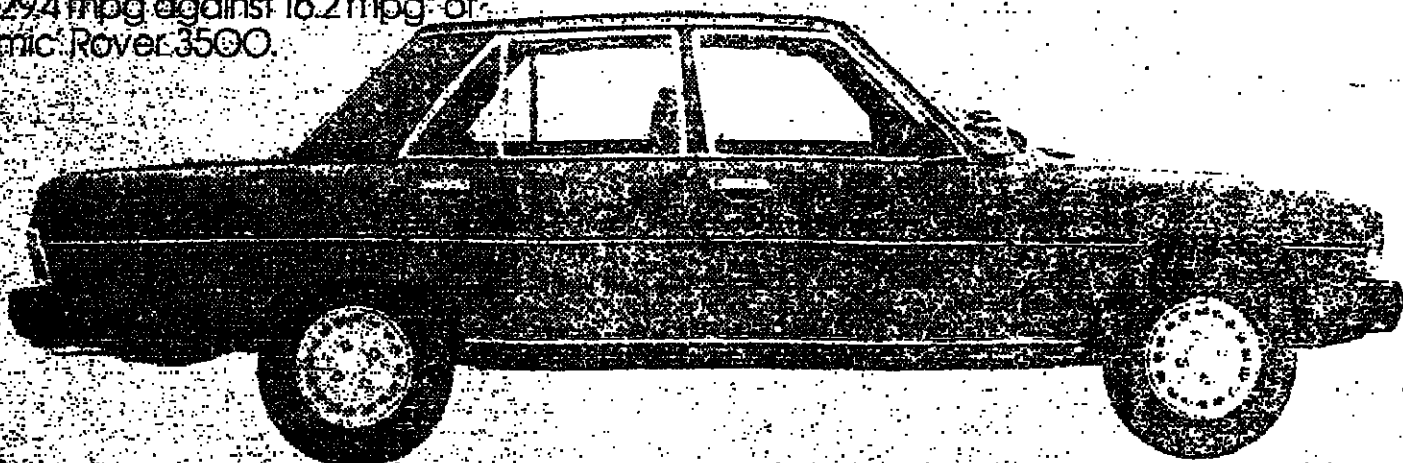
In addition to the astonishing fuel savings, the 604 D-turbo offers many other distinct advantages. The 2304 cc diesel engine has already been well proven by Peugeot and has strength and durability engineered into it. Fewer electrical components result in easier servicing and the nature and construction of the diesel engine ensures easy starting in all weather conditions.

Performance

On the motorway, the 604 D-turbo offers you cruising speeds you would expect from a luxury saloon in this class, quietly, comfortably. And on the Continent high speed autobahn motoring is smooth and effortless.

Luxury

The 604 D-turbo boasts an extremely high level of standard features, push-button electrically-operated sunroof and windows, all-round tinted glass, centralised pneumatic locking (which even closes the windows and sunroof automatically), responsive power assisted steering, 5-speed gearbox, thick plush-pile carpet and rich velour upholstery. The Peugeot 604 D-turbo combines luxury performance and style with a standard of economy never before witnessed in a luxury car. Why not contact one of the 265 nationwide Peugeot dealers to arrange a test drive.



I am interested in the Peugeot 604 D-turbo. Please send me information.

Name

Address

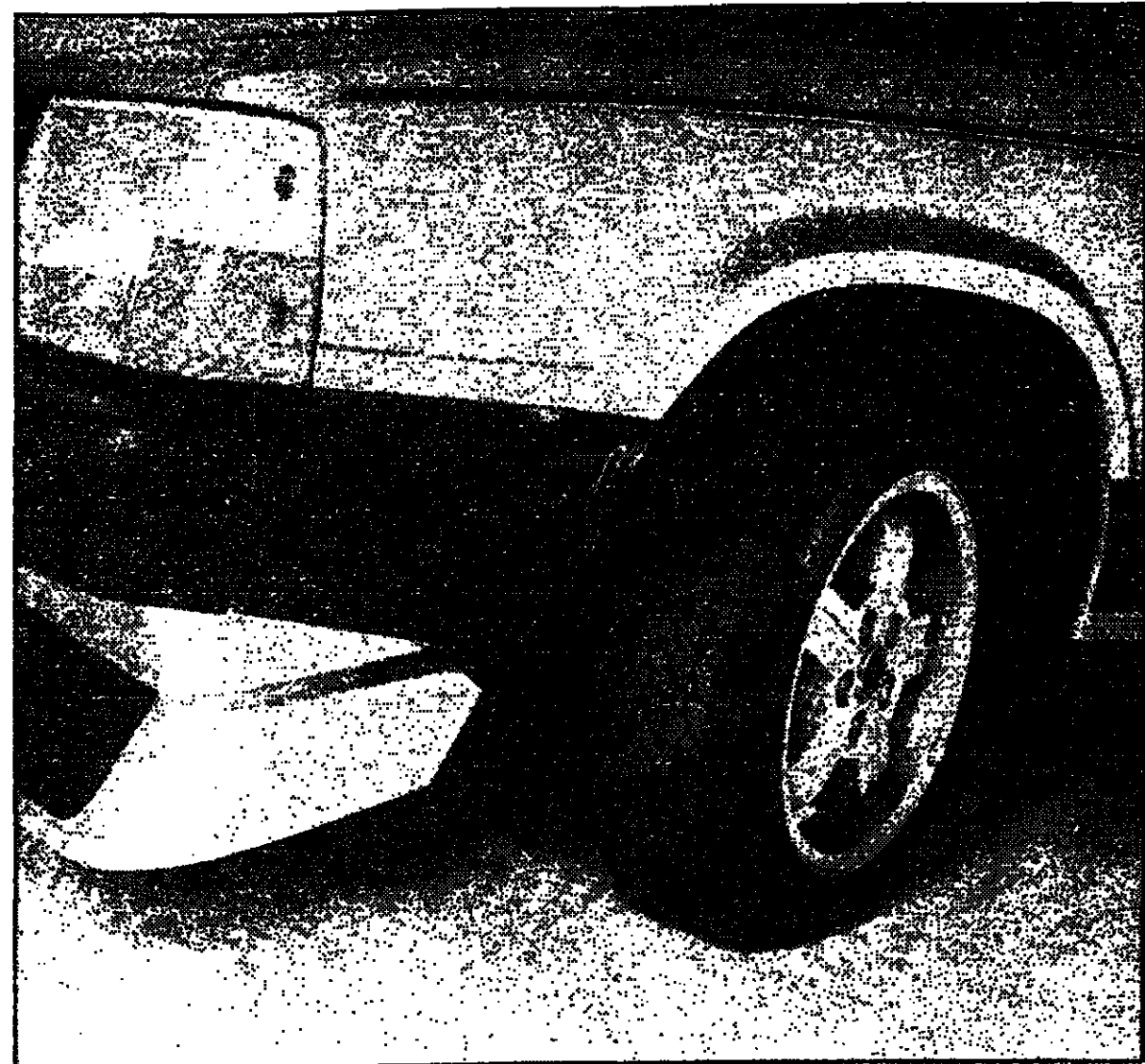
*D-turbo Fuel Consumption
46.3 mpg (15.7 l/100 km) at 55 mph (90 km/h)
39.8 mpg (18.1 l/100 km) at 75 mph (120 km/h)
29.4 mpg (24.1 l/100 km) on urban cycle

Rover 3500
16.2 mpg (17.4 l/100 km) on urban cycle
16.2 mpg (17.4 l/100 km) on urban cycle
16.2 mpg (17.4 l/100 km) on urban cycle

Peugeot 604 D-turbo
46.3 mpg (15.7 l/100 km) at 55 mph (90 km/h)

Peugeot Automobiles UK Ltd.
333 Western Avenue,
London W5 0RS. Tel. 01 992 5366





A Volvo equipped with Pirelli 8 tyres, which are said to give better performance than steel-belted radials.

Radial tyres' greater mileage reduces production

The decline in Britain's tyre industry began in the early 1970s and has since been gathering pace, as a few statistics reveal. In 1973, a total of 9,103,000 car and light van tyres was supplied to the British motor industry to fit as original equipment. This year, if forecasts are borne out in practice, original equipment sales will be about 6,450,000—fewer than 2,653,000 than in 1973.

In the same period, despite a rise in the national car population from 14,700,000 to 16 million, replacement tyre sales fell from 21,551,000 to a forecast 18,900,000 this year.

Original equipment sales fell in step with the motor industry's decline. Replacement sales fell largely because the crossply tyre, which sold in equal numbers in the radial ply tyre in 1973, now accounts for 14 or 15 per cent. (In original equipment, the crossply tyre has disappeared.)

Whereas crossply tyres lasted for between 15,000 and 25,000 miles, thus assuming buoyant demand for replacements, the increasingly popular steel belted radial tyre gives double this mileage or more.

For some years the British tyre makers (Avon, Dunlop, Firestone, Goodyear, Michelin, Pirelli and Uniroyal, and their associated brands) hoped the British motor industry would recover its strength and need the tyres they had extensively equipped themselves to produce. It did not. In the past two years, somewhat helplessly in the view of many observers, the industry has decided to cut its production capacity to match foreseeable demand.

Dunlop's plant at Speke, Liverpool, was the first to go. Goodyear closed its Glasgow factory soon afterwards. Firestone followed suit at Brentford and more recently, shut its other British plant at Wrexham. There have been tree-ring closures by the other manufacturers. As a result, the United Kingdom's tyre industry has reduced its production capacity by about 20 per cent. It hopes that this

contraction, aided by rationalization of production and a drive for greater efficiency, will restore it to health in the 1980s, although the going will remain difficult.

Imports of tyres have also been a problem for the British industry although it is important to differentiate between the two kinds. There are imports from overseas factories of the same multinational manufacturers which produce tyres in Britain (Firestone, Goodyear and Michelin, for example) and those from other sources—mainly from low-wage economies in Eastern Europe and, to a lesser extent, in the Far East.

Many of these producers have been established with the help of the multinationals, which gladly sold the necessary technology in the palm days of the 1960s when it seemed that the motorizing expansion would go on for ever.

It is difficult to establish what proportion of original and replacement tyres bought in Britain come from the overseas factories of British (that is multinational) makers. In car sizes it is quite small, probably no more than 5 per cent, although it is rising. In the big earthmover tyres, each of which can cost more than £25,000, the proportion is thought to be much higher—perhaps as high as 30 per cent by value.

As the United Kingdom's industry rationalizes production, some sizes of tyres will no longer be made in the country at all but supplies will be brought in from various EEC countries. By the same token, sizes popular in Britain but less in demand on the Continent will come exclusively from Britain. So the tyre industry is at least as internationalized as the car industry.

What really concerns the British-based tyre makers is the growth in imports from countries and companies with which they are not associated. From Yugoslavia, Hungary, East Germany, Czechoslovakia, Taiwan and South Korea. These account for about one quarter of all replacement sales in car sizes. Japanese tyre imports are so small as to be irrelevant in car sizes, but worryingly greater in the larger sizes for lorries and, especially, earthmoving machinery. This year the tyre makers won a victory when it was held that many of the cheap imports of crossply and fabric belted radial ply tyres from the Eastern block were being dumped. The industry is keeping an eye on the rising level of imports of more modern steel belted radial tyres from these countries.

Tyre technology continues to advance and has been, if indirectly, partly responsible for the predicament the industry has found itself in. The steel belted radial tyre which has transformed the handling and roadholding of the modern car, compared with those of the 1960s, wears out very slowly. It frequently outlasts the first ownership of the car. If the industry had been able to get a good price from the car makers for original equipment supplies, and from the retail market for replacements, all would have been well. But overproduction led to the inevitable buyer's market, high discounts and lack of profit.

The latest trends offer little comfort. The car tyre (and to a lesser extent the lorry tyre) is getting fatter. The 70 series tyre (which has a cross section 70 per cent as high as it is wide) was once called "low profile" to distinguish it from the 80 or 82 series tyre. But 70 series tyres are commonplace on all but the cheapest cars, and the use of very low profile tyres of 65, 60 and even lower section heights is growing.

These squat, fat tyres give standards of steering response, road grip and cornering which only racing drivers could have known about in years gone by. Pirelli was the first to sell fat tyres with its P6 and P7; Michelin was close behind with the TRX, followed more recently by Goodyear (the NCT), Firestone (the S-660) and Dunlop (the D3 and others). Quite apart from all their performance benefits, they outweigh conventional tyres. At present, demand is, if anything, ahead of supply and

good prices are being obtained by the makers. They hope it will continue.

The energy saving tyre, also pioneered by Pirelli with its P8, reduces fuel consumption by about 4 per cent because it reduces rolling resistance by 20 per cent compared with a conventional steel belted radial tyre. There will be many others. Michelin, which led the way with the steel belted radial tyre, which is much less energy absorbing than a crossply, cannot be far behind.

The runflat tyre, which allows continued mobility for 100 or more miles after loss of air, has been a great disappointment. Dunlop thought it had a world-beater with its Denovo, but in the eight years since it was launched, only BL has shown any real enthusiasm (and that, in world car industry terms, is not much of a recommendation). Dunlop continues to hint that the breakthrough is around the corner. The rest of the industry is openly sceptical.

For the near future the industry is pinning its hopes on a change in tyre safety regulations to bring Britain into line with the Continent and outlaw what it calls the "legal but lethal" tyre. This is a tyre which has at least 1mm of pattern depth remaining over 75 per cent of its tread but has completely bald outer edges.

The edges, or shoulders, do most of the work when a car is cornered. On wet roads they cannot disperse water and will skid, leading to loss of control. The tyre-makers and the National Tyre Distributors Association are urging the Government to bring Britain into line and demand 1mm (and, it is hoped, more) pattern depth left over the entire tread width, not just three quarters of it.

The tyre makers argue that it would improve road safety. It would, of course, also sell a lot of tyres. So far, the Government has been unimpressed, fending off the industry's urgings by saying it has no desire to increase the costs of motorists more than strictly necessary.

Stuart Hayes

Reducing hi-fi noise pollution inside the car

There have been two outstanding developments in hi-fi entertainment equipment during the past 12 months. One is the automatic sound level control system, known by the initials ASLC, which Hitachi introduced early in the year and the other is the Philips micro-computer controlled AC990 combined radio/cassette player launched on the United Kingdom market this autumn.

The Hitachi ASLC is available either as an add-on unit for connection to existing radios, in which case it is known as the DU10, or incorporated into its CEK303X combination unit. The object of the device is to eliminate the need for adjustment of the volume control during a journey of varying speeds by reducing or increasing the sound from the receiver in relation to ambient noise generated by the wind, road or engine.

This means, for instance, that after travelling at speed on a motorway,

the motor show, has taken Philips to the top of hi-fi entertainment.

This set, made to match the dimensions of the smaller DIN standard, is a remarkable example of technical ingenuity as not an atom of space inside the compact exterior case has been neglected, which says much for the capability of Philips's production methods.

Users of FM receivers in cars will be familiar with the problems of reception and the need frequently to retune if a specific programme is to be followed when making a long journey. Most FM listeners accept this penalty in exchange for the higher standard of fidelity and the absence of external interference, as well as the ability to hear programmes in stereo, which are features of FM reception, but curse when having to retune.

The AC990, the first all-electric car unit to come from Philips, is designed expressly to overcome these

objections. It does so by employing an electronic memory which can accept up to 70 frequencies used by transmitters on the FM, medium, long and short wavebands, coupled with automatic search and variable speed manual tuning.

To eliminate the retuning problem on FM there are six "P" for programme buttons, each of which will store 10 frequencies in the memory, making 60 in all. The remaining 10 being handled by a Memorlock system, the electronic equivalent of Philips's mechanical Tunelock preset tuning method, which also serves as a waveband switch and has a capacity for three more FM stations, two on medium waves, four on the long waveband and one on short waves.

The intention is that Radio 1 and 2 frequencies should be stored on one button, say P1; Radio 3 on button three; Radio 4 on button four, the remaining three being available for other transmitter chains as

encountered in Germany and other overseas countries. Specific local broadcasting stations, like LBC and Capital Radio in London, BRRS in Birmingham or Radio Farnborough on the East Coast around Hull, can be stored using the Memorlock on either FM or the medium band, and so are available at the touch of the button.

As an example it will be assumed that the three BBC national networks have been programmed on the appropriate buttons. When starting on a long journey and wishing to have continuous reception of Radio 2, it is necessary only to press button P1. Thereafter, as the car moves across country, the radio will automatically self-tune to the strongest station transmitting that programme without any manual intervention, so the need for retuning is circumvented. The same applies to Radios 3 and 4.

Most frequency changes between one station and another are imperceptible

except when there is a marked difference between volume levels beyond the capability of the automatic gain control. Each new frequency, as it occurs, is shown for about three seconds on a digital display, after which the display

—an indication of the programme button in use. Unfortunately, for the curious, the frequency display is too short-lived to be monitored constantly by a driver whose attention must be concentrated on the road, not that this is necessary in normal usage.

To check the self-tuning ability, a Ford Cortina fitted with the AC990 was taken on a 500-mile round trip from London travelling by the A5 and M6 to the Pennines on the M67 A63 to Hull and back to London on the A1. The receiver performed most satisfactorily and all three BBC programmes remained on tap over the entire distance.

The Fenny Stratford-Towcester sector is notorious

for difficult FM reception as three or more transmitters overlap in this area and the user with a manually tuned set has repeatedly to return to maintain reception. Since frequency changes were recognizable because of variations in programme content between one station and another.

The only detail lacking on the Philips unit, compared with other electronically tuned receivers, is a visual indication of time. Although self-tuning is the principal feature, the fact that the set is also a high quality cassette player should not be overlooked nor should the

quality of the reproduced sound.

One other notable combination unit introduced during the year and carrying a price tag in excess of £500, which is twice that of the Philips AC990, is the Blaupunkt Berlin. While the Berlin lacks self-tuning and a digital display it does have an LED station indicator, separate bass and treble controls and other attributes of a first-class hi-fi outfit, coupled with 18 watts output from each of its four-channel amplifier.

Furthermore, it also incorporates an ambient noise level sensor called SALS which is an equivalent to the Hitachi ASLC, as well as a auto-reverse tape deck equipped with Dolby and a switch for handling metal tapes. The Berlin is a three unit set. The controls are mounted on a stalk so that they can be placed within easy reach of a driver, while the tape section with associated controls is built as an in-dash unit. The amplifier, of the slave type, is located in the rear of the set. It has no controls of

its own, is intended to be mounted out of sight.

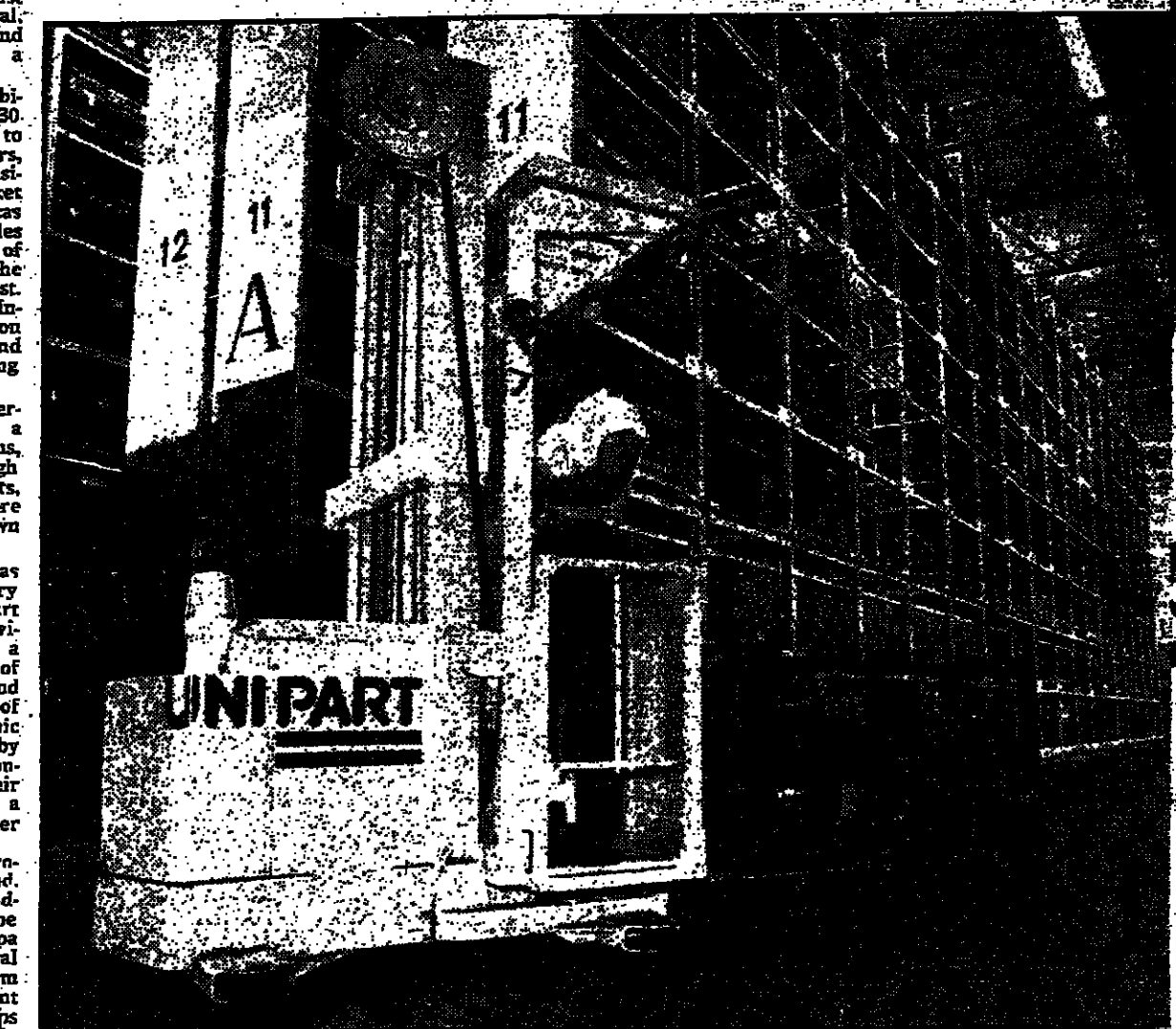
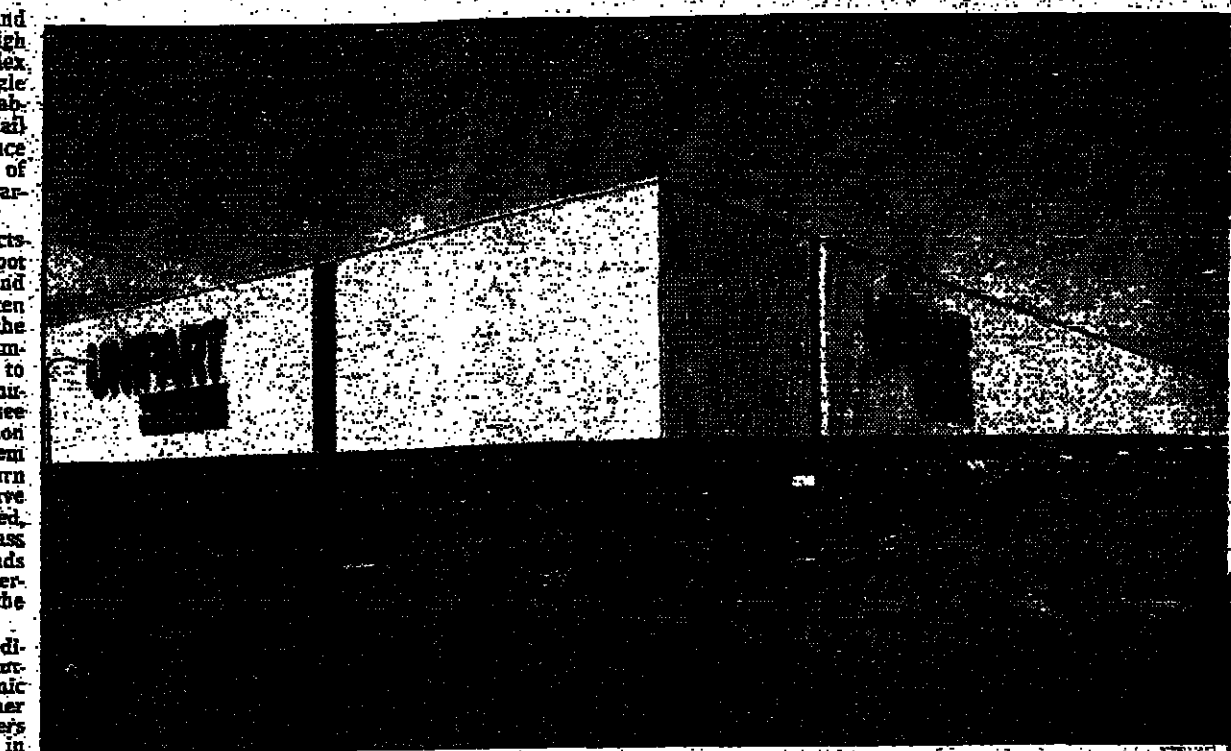
While the three unit mentioned represents a most notable development to reach fruition during the past year, steady progress has also been made in graphic equalizers which are rapidly becoming a popular adjunct to existing equipment. Equalizers must be used in conjunction with high-power speakers capable of handling their elevated outputs without overload.

There are many speaker models available. Pioneer is showing an interesting new rear shelf design at the motor show in which sound from a woofer is projected upwards for forward reflection by the rear screen while a vertically mounted tweeter integral with the woofer distributes high-frequency sound in a horizontal plane directly at the occupants. The idea being that this form of sound distribution improves the stereo image.

Tony Ky

Eric Coushier

Makers of parts try to penetrate retail trade



Unipart, manufacturers of motor accessories and components, recently opened a £10m complex, Baginton, at Coventry. Above: inside the warehouse; top: an exterior view of the plant.

category of replacement parts is represented by ignition, electrical and lighting components. With the average age of cars on the road tending to rise, these and other replacement parts must enjoy a continuing, even increasing, demand with a turnover expected to reach £1,000m by the end of next year.

The smaller, but still worthwhile, proportion of replacement part sales passes through the High Street shops. The bigger outlet is the garage workshop, where parts are charged at full rate to the customer having his car serviced or repaired, and where many DIY motorists continue to buy their spares—probably at higher prices than the garage would charge.

Usually the garage will buy only manufacturer approved parts, compelling those component manufacturers who have developed an all-makes range of replacement parts, to protect themselves against imported parts in circulation, considering the economic situation. ASLC, as well as the tape section with associated controls is built as an in-dash unit. The amplifier, of the slave type, is located in the rear of the set. It has no controls of

component supplier's margin to a point where it is now the aftermarket business to which they turn for survival, particularly at times of recession.

Motor manufacturers are keeping their stocks of components and add-on accessories low while still relying on the component industry to meet the demand when they call for supplies. Deliveries of original equipment are as much as 20 per cent lower than a year ago but the demand from the retail outlets for replacement parts has not suffered to such an extent, although non-essential items in the accessory market are only now beginning to show a slight rise, mainly in seasonal products.

The component and accessory market has an annual turnover of about £1.3m in the United Kingdom with the accessory and car care side of the business accounting for about 28 per cent of the total. The largest single

forde in shops of similar size.

The threat to the High Street accessory stores from department stores, supermarkets and garages has not been materialized. Possibly, best examples of good marketing through garages are the Renault boutiques which are generally well-stocked and have good display material, and Unipart (the accessory and component division) whose chain of stores is well-stocked with car care products. Certainly some are going under when perhaps a man accessory shop at a lower end of the High Street stays in business.

With all this competition it is surprising that the man accessory shop at a lower end of the High Street stays in business. Certainly some are going under when perhaps a man accessory shop at a lower end of the High Street stays in business.

find we...
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driver...
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boat...
Eric Coushier

IT LOOKS EXPENSIVE. BUT YOU KNOW WHAT LOOKS CAN BE.



Take a look at Saab's new saloon, the Saab 900 Sedan. Take a look at its elegant smooth lines. Pretty sleek, isn't it?

It must be pretty obvious, even at first glance, that our European competitors, and even our dear Swedish neighbours have got a real fight on their hands.

In the past, they may have had it all their own way, in what most people call the 'executive-car' class. But now with this new Sedan, we think they'll be completely outclassed.

It's not just the outer styling that looks luxurious. Inside smacks of luxury too, with new plush velour upholstery in some very swish colours.

Slip into the driving position and you'll find we've slipped in something that you only find in one or two of the world's most expensive cars.

A heated seat, to warm you up on a cold morning. (In our GLE and Turbo models the front passenger also enjoys this added luxury.)

As for the rear seats, we suggest you test them like you do a super settee. After all, they're made by one of Sweden's top furniture makers. So really sink into them, and enjoy the soft comfort of their cushions.

When you study their width and consider the amount of leg room the Sedan offers you, you'll soon realise how easy it is to send 3 back-seat drivers comfortably off into the land of nod.

One other thing which may surprise you about the back seat is that it folds down to give the boot a lot of extra feet. So you won't have to leg it

around searching for a roof rack, when you have a long load on your mind.

Of course, if you're really thinking of travelling fully loaded or towing a caravan, then it's doubly reassuring to know that, when you put your toe down, you've got 108 horse power and twin carburettors under your bonnet. Something which could get Volvo 244DL owners with their single carburettor really stamping their feet.

They may also kick themselves when they get their hands on the steering wheel, and find the Sedan has the expensive feature of power steering included in the price.

We're not talking about our GLE model that has a five speed gearbox and fuel injection. Nor are we talking about our Turbo model that has a top speed of over 120 m.p.h.

We're talking about the basic Sedan, the GLS. And as you've already gathered, the basic Sedan has far more expensive features than a lot of far more expensive saloon cars.

Which now brings us to the one thing that will really shock you. The price of the Sedan GLS is only £6,595 (including VAT and Car Tax).

Now do you believe the saying, that looks can be deceptive?

SAAB

THE NEW SAAB 900 SEDAN
MORE THAN JUST ANOTHER SALOON

THE SAAB 900 SEDAN RANGE: 900 GLS, 4 speed gearbox, power steering, heated driver's seat, twin carburettors - £6,595. Optional extras include: Sunroof, Automatic Gearbox, Metallic paint. 900 GLE, 5 speed gearbox, fuel injection, power steering, electric front windows, sunroof, stereo cassette/radio, electric aerial, heated driver and front passenger seat, Pirelli P8 tyres, rear seat head rests, solid or metallic paint - £9,043. Optional extra: Automatic Gearbox, 900 Turbo, specification as 900 GLE except for alloy wheels, TRX tyres, electrically adjustable door mirrors - £11,176. Optional extra: Automatic Gearbox. Prices correct at time of going to press, include VAT and Car Tax. Delivery and number plates extra.

SAAB (UK) Limited, Fieldhouse Lane, Marlow, Bucks. SL7 1LY. Tel: Marlow (06284) 6977. SAAB Export Enquiries: - Tel: 01-491 2505. SAAB Fleet Enquiries: - Tel: Marlow (06284) 6977

Turning to turbos: exhaust provides a cheaper charge

Against a background of intense international competition for a dwindling world market, and at a time of high inflation and need for energy conservation, the most significant technical development within the motor industry during 1980 has been the emergence on a fairly large scale of turbo-charged engines for passenger cars.

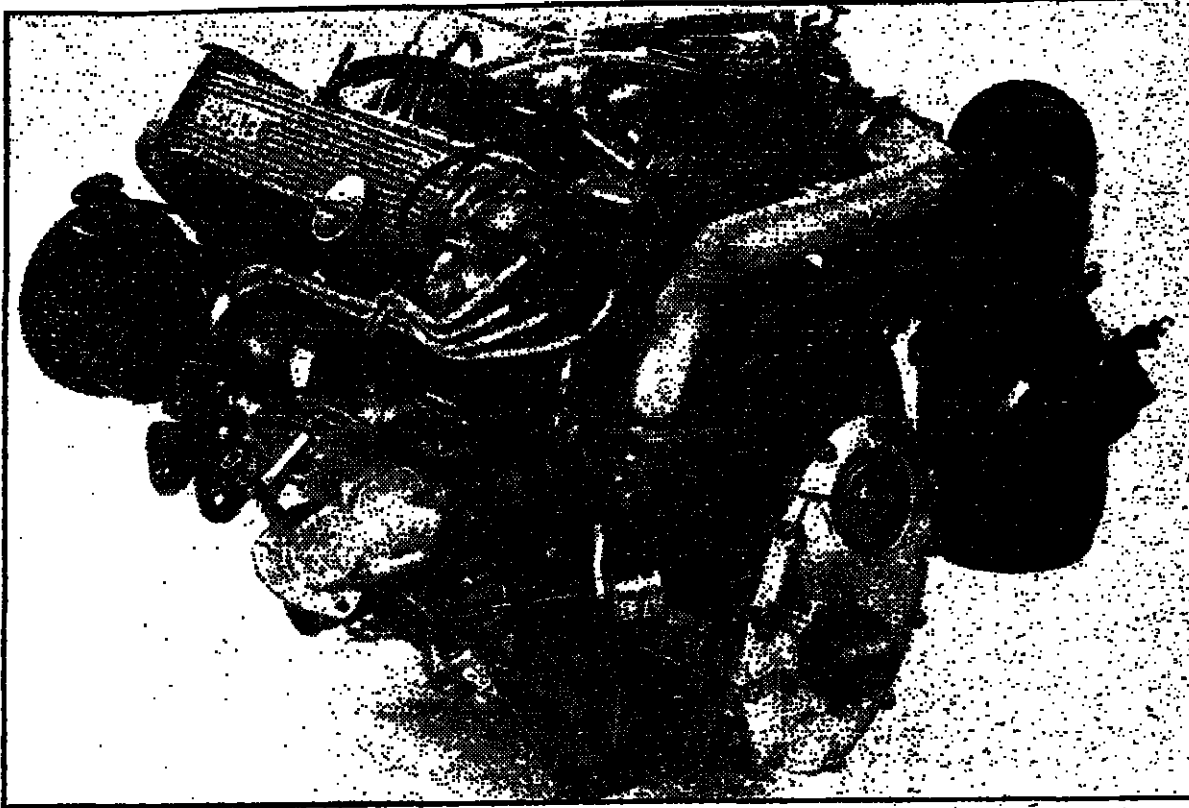
In the minds of many people, turbocharging is synonymous with supercharging, which means higher performance, which in turn can mean only the use (and for "use" read "waste") of yet more fuel. So why so much interest in the turbo-charger?

The answer is that, designed and used intelligently, a turbocharged engine can provide more economical than a naturally aspirated one offering a similar level of performance, and furthermore can be "cleaner" in terms of exhaust emissions—an increasingly important consideration, not only in the United States, but also in other world markets.

There is also another important factor in favour of the turbocharger. Consider the case of a car manufacturer whose main market penetration is in the two-litre class, but who is also about to produce a prestige range consisting of larger and heavier cars which have a power requirement of about 50 per cent more than the mainstream models.

The traditional solution would be to develop a new engine for the top range, probably a six-cylinder version of the company's four-cylinder, two-litre, power unit, giving a displacement of three litres. But such an engine would be too heavy and too bulky for use in the smaller models (unless they had been designed to take the "six" in the first place, which is most unlikely). This means that the vast development and manufacturing costs of the larger engine would have to be amortized solely within the larger car range, and the size of this market is severely restricted; the cost penalty per unit would be prohibitive.

The alternative is to turbo-charge the two-litre, four-cylinder engine to obtain the required power increase.



The Saab turbo H engine.

The advantages are several. In the first place, a small displacement engine is usually more efficient than a larger one, both mechanically and thermally. Second, the small engine, even with a turbocharger and ancillary equipment tacked on to it, may well require less under-bonnet space than the "six", which may give the car styling and aerodynamic advantages. Third, the development costs of a new engine, and the time involved in meeting emission standards, should be greatly reduced. Finally, the philosophy behind a turbocharged engine as applied to normal motoring needs is that it offers abundant power (through the turbocharger boost) only when it is needed, and that at other times it acts almost as a normally aspirated engine.

Although turbocharging technology is a highly exacting science some consider it to be something of an art, and the basic system is fairly simple to comprehend. All

the engine's exhaust gases, which would otherwise go to waste through the tail-pipe and out into the atmosphere, are diverted to drive a turbine, which in turn drives a second turbine, the function of which is to compress the air to be delivered to the induction side of the engine. Once the required boost pressure has been achieved, excess gases are diverted away from the power turbine and through the conventional exhaust system.

There are many variables available to engineers to produce the performance characteristics appropriate to different types of use (remember, turbochargers are used today to drive everything from family saloons to Formula One Grand Prix cars). The fuel/air mixture of a turbo-charged engine can be supplied through a conventional carburettor (the turbo either blowing into or sucking from the instrument), or through a fuel-injection system.

Different power outputs and torque characteristics can be achieved through variations in boost pressure

as well as in an engine's internal dimensions such as valve size, compression ratio (usually lower than for a normally aspirated engine) and combustion chamber shape.

On the debit side, a turbo-charger installation usually means high under-bonnet temperatures (a turbine may well revolve at up to 150,000rpm) and the need for generous water and oil cooling arrangements while for the driver the inherent slight lag in throttle response when depressing the pedal (particularly at low speeds) is a characteristic to be expected but engaged in minimizing the delay. Also, with a low compression ratio, the engine can feel rather more than usually sluggish during initial acceleration, before the turbocharger has had time to "bite".

Nevertheless, such are the potential advantages of the turbo-charger, as outlined, that its permanent place in the motor industry's catalogue of new products is assured. Already the choice is wide in high-performance and executive cars—the Audi 200 and Quattro BMW 745i, Bristol Beaufighter,

Lotus Esprit, Porsche 911 and 924, Renault 5 and 18 and Saab 900 and 900 are among the turbo-charged cars already on the market, and there are many more on the way, including examples from Aston Martin and Ferrari.

The turbocharged diesel is also increasing in popularity, witness Peugeot's 1500cc (rpm) and the new S-Series Mercedes-Benz, the bulk of whose sales in the United States will be accounted for by a 300 SD version with a three-litre five-cylinder turbocharged diesel.

The introduction by Renault of an 18 Turbo is an interesting development confirming that, like Saab, the French company sees the turbo not only in competition-oriented high-performance terms, but as a realistic solution to today's and tomorrow's requirements in the mainstream of the passenger car market. The specialists with their turbo conversion kits for production cars, led the way, but now the big guns of the motor industry are firmly committed to a turbo-charged future.

John Blunsden

The world goes on an economy drive

All over the world, because of the energy crisis, the car companies are striving to make their products more economical. Last year the British motor industry, forestalling the possibility of legislation, voluntarily undertook to effect a 10 per cent overall improvement by 1985. Its opposite number in the United States, though, has the Congressional Corporate Average Fuel Economy, a federal measure under which year-by-year consumption reductions are mandatory.

The most effective single means of saving motor fuel is outside the control of the car manufacturer: lightening the right foot of the millions of drivers who regularly waste petrol by driving unnecessarily hard.

The official fuel consumption figures tell part of the story: a 1979-80 Ford Escort 1.3-litre saloon, for example, does 42 mpg at a steady 56 mph but only 30.7 mpg at 75 mph. A series of tests by Ford proved that aggressive driving consumed up to 36 per cent more fuel than deliberately economical driving and 21 per cent more than normal driving.

Making a car inherently more economical is a matter of achieving relatively small savings in a number of areas. One of these is aerodynamics, now receiving much attention from the manufacturers who are using wind-tunnels as never before. Reducing the aerodynamic drag (and hence the propulsive power needed) is not easy because a car has to carry passengers and luggage, and has shape-spoiling excesses such as door mirrors and big bumpers. However, any improvement gained is almost something for nothing since a low-drag car should cost no more to make than a high-drag one.

Through sheer hard graft, Ford has produced a 385 B.L., too, has published an experiment but fully-practicable small car with a coefficient of 0.340 and reckons soon to get still lower. Not long ago, such a figure was considered the prerogative of the sleek, cramped sports car, not the family load carrier, so real progress is being made.

Weight reduction is also the subject of much effort. The lighter the car the lower the rolling resistance and the environmentalists below a certain level of efficiency—the air-resistance criterion—of the new Escort down by 14 per cent from the previous rather poor 0.448 to a commendable 0.385. B.L., too, has published an experiment but fully-practicable small car with a coefficient of 0.340 and reckons soon to get still lower. Not long ago, such a figure was considered the prerogative of the sleek, cramped sports car, not the family load carrier, so real progress is being made.

The snag is that weight reductions are often expensive. True advanced computer-aided design techniques have enabled quite high compression ratio, being made harder to achieve in petrol power units by continuing environmental demands for low weight in the lead additives which though good, is not out materials in general cost improve the octane number.



Adapting a Volkswagen Brasilia to run on a mixture of gas and air.

The fundamentally more economical diesel is being affected by this problem, exhaust-driven turbochargers, which improve efficiency and clear the exhaust, Ford has given the new Escort engines part engine's thermal efficiency is improved by a spherical combustion chamber. These not only smaller and lighter are inherently efficient but do a given job, as also have a relatively low compression ratio, allowing a higher-than-average compression ratio. On the debit side, though, the engine is not a cheap one to make.

One of B.L.'s different and still experimental approaches is based on the Fireball high-swirl, high-compression combustion chamber designed by Michael May, a noted Swiss engineer. Other manufacturers are investigating various stratified charge combustion systems burning mixtures that are rich in the sparking plug but usually weak overall. Honda already produces such a system, the CVCC, but its crashworthiness. On the mentally based reductions economy on the road, other hand, lightweight materials in general cost improve the octane number.

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Alan Bak

The first FM car radio/cassette with an automatic homing instinct.

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However, FM transmitters have a limited range of about 30 miles. Sometimes even less.

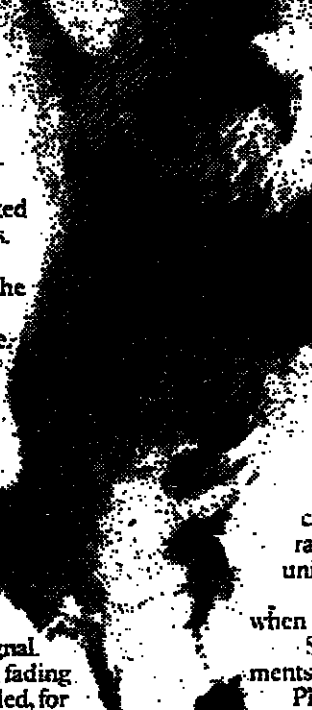
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Philips MCC can also store a total of 12 separate frequencies across the four preset buttons that are recalled with the Memory Recall button.

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Simply years ahead

Towards an omnivorous engine

In considering what sort of engines will drive our cars 10 or 20 years hence, we have to start with the fuels that will be available. While the world's reserves of underground and undersea petroleum (crude oil) are rapidly being exhausted, they will not vanish overnight. It looks as though they will be used decreasingly for power generation and heating and increasingly for vehicle and aircraft fuels for chemical feedstocks and plastics manufacture.

Much petroleum remains to be extracted from shale and tar sands once the process is made economical by further rises in the price of increasing scarce supplies from the wells. Also, the several crusts of coal could be used not only to generate electricity (nuclear power stations are preferable in purely energy terms) but also for conversion to liquid fuels.

Although not yet widely employed, processes already exist for producing hydro-carbon fuels—like petrol and diesel oil—and methanol (methyl alcohol) from coal.

Methanol and its close relative ethanol (ethyl alcohol) are both practicable motor fuels, either to extend petrol or on their own. The former can be produced also from wood, while the latter is derived from vegetation. Brazil is now getting quite a lot of ethanol from home-grown sugar cane and plans to be almost self-sufficient in vehicle fuel within a few years. In addition, oil-refinable for diesel-engine use can be obtained from a number of seeds—namely sunflower, soya bean and groundnut; but it would be difficult to grow enough of the latter to make a significant contribution.

At present there is plenty of liquefied petroleum gas (lpg) and liquefied natural gas (lng), and petrol engines can quite easily be modified to run on either, as is extensively done in Europe. In many cases, though, the conversion allows for dual-fuel (petrol/crude oil) operation, switching from one to the other, and this does not take full advantage of the gas characteristics.

However, gaseous fuels—including hydrogen, another possibility—are more hazardous to store and distribute than liquid fuels. Also, unless under high pressure, they occupy considerably more space than making it harder to provide adequate luggage accommodation in a car.

From all this it is clear that the motor industry has several courses to follow. One, for the shorter term, will be to make existing engines more fuel-efficient, by the methods outlined in an accompanying article. Another will be to modify such engines to enable them to run equally well on a wider spectrum of liquid (and perhaps gaseous) fuels.

Quite an amount is already known about giving engines a multi-fuel capability: one solution being the spark-assisted diesel. This type of engine is halfway between the ordinary petrol variety and the true diesel, having a compression ratio higher than the former's (with benefits to the thermal efficiency), but lower than the latter's; hence it does not have to be so heavily built.

In the longer term, two quite different types of engine could rival the conventional varieties. One is the gas turbine which, after its wartime aircraft success, made quite an impact on the car and lorry scene in the 1950s and 1960s. Yet much has been heard of it since, although in fact a lot

of work has been going on behind the scenes. Thanks in part to the development of space-age ceramic materials for the hot-end components (allowing significant increases in turbine inlet temperature, which governs the thermal efficiency) the turbine could become highly competitive towards the end of this decade. In the light of what was said earlier, its ability to burn a wide range of fuels is very much in its favour.

The other possible candidate is the Stirling, invented as far back as 1816 by Dr Robert Stirling, a Scottish clergyman. Most of the technology of the Stirling has been established since the Second World War, as with the gas turbine, but mainly for vehicle and industrial duties rather than aircraft. Problems still remain, and it can never be a cheap engine to make, but it is quiet, clean in the exhaust and economical of fuel for which it too has a catholic appetite.

I have left electrical power to the end because of its fundamental difference from combustion engines. Battery-electric vehicles, cars among them, will undoubtedly come numerous since they can be charged with electricity generated by coal or nuclear activity.

The batteries continue to be a stumbling block, having still to be very big and heavy to give a car acceptable range and performance. While much superior batteries have been evolved in the laboratory, they remain some way from practicality, not least because most of them operate at high internal temperatures and so pose a fire hazard. The best short-term prospect could be General Motors' zinc-air oxide type which promises to be two to three times as

energy-effective as the conventional lead-acid variety. Electric motors, too, have been receiving attention to improve efficiency and so keep down bulk and weight. One of the most valuable here is the passive or disc motor developed several years by the engineering department at Warwick University.

An alternative to using electric traction is a hybrid system in which an engine is used in conjunction with a much smaller battery pack. The latter is used in low running, to avoid pollution in more rural conditions. The engine can form the so driving means or can be primarily to keep the batteries charged. A petrol diesel Stirling or gas turbine engine can be employed in hybrid system which can be arranged so that the power unit runs mainly in its most economical speed range.

One big economy advantage of electric drive is the through regenerative braking, the considerable energy expended in accelerating a vehicle is not completely wasted on subsequent use of the brakes but is fed back into the batteries. One method of storing this energy are, therefore, being investigated, one being to use a flywheel in conjunction with a normal engine—an old idea but one that was brought up to date in 1967 by Mullard, the British electronics company, and known to be under evaluation by Mercedes.

Since a flywheel energy storage system could, apparently, effect a fuel saving of 30 per cent or more, though involving considerable complication, it could well feature on quite a number of cars and other vehicles of the 1990s.

Alan Bak

Caravans have bumpy ride

Rentals in trouble

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Styling is becoming more and more a science

Car styling may be a matter of aesthetics to the public but to the stylist it is a science. His job, essentially, is to reconcile showroom appeal with practical engineering, with the added difficulty of meeting legislative demands which can differ widely from one country to another.

So from the start, the look of the car is determined by considerations other than pure aesthetics. Wedge shapes not only save fuel but are visually striking: the TR7 does look distinctive on the road.

But the wedge concept can be introduced less obviously. The new Mercedes S class seem, at first glance, little different from the traditional "three-box" design—one "box" each for engine, passengers and boot—which is not generally reckoned to be most aerodynamically efficient.

But at a farther look, a hint of a wedge is discernible, in the bonnet slope and the tail, as well as a notable smoothing of angles. The result is a drag coefficient said to be 14 per cent lower than on the previous model, contributing to an average fuel saving of 10 per cent.

Rolls-Royce, the most conservative of stylists, has carried out a similar exercise on the new Silver Spirit. The car maintains the basic shape and character of its predecessor, the Silver Shadow, but the front wings have more slope, the wind-screen greater slant and the boot is higher with a sharper cut-off. The elegance of the "best car in the world" is, therefore, directly related to the mundane concern with saving fuel.

Aerodynamics have also helped to govern the shape of the new Ford Escort, and the better the fuel economy, the less the engine has to work to overcome air resistance. Hence the current preoccupation with aerodynamics.

This means devising a shape for the car that will set up the minimum resistance to the air around it while in motion. The lower the aerodynamic drag, the less hard the engine has to work to overcome air resistance, and the better the fuel economy. No wonder that drag coefficients are becoming almost as widely quoted as engine capacities.

The ideal aerodynamic shape is usually considered to be a teardrop on its side, swollen part to the back. The theory is that air will slide over and round it instead of meeting it head on. This explains the recent tendency among car designers to go for "wedge"



The Triumph TR7 is an example of stylish elegance.

shapes of the passenger cage must balance the demands of aesthetics with the provision of adequate headroom.

Legislation complicates the job in all sorts of ways. A few years ago, the United States demanded retractable bumpers so that cars could withstand 5 mph impacts without damage. Fitted to existing cars, they often looked grotesque; even on new models they are a challenge to the stylist who somehow has to merge them into his overall design.

Light clusters are increasingly affected by regula-

tions, with no guarantee that what satisfies Europe will be acceptable in the United States or Japan. If the manufacturer is serious about selling overseas and no manufacturer can afford to be, the stylist must oblige.

What does the public make of it all? The cynical answer is nothing, since some of the most successful models in the history of motoring, from the Volkswagen Beetle to the Citroën 2CV and Renault 4, are also some of the least stylish. At the same time no one could say they are not distinctive and one of the problems for a stylist now is working successful variations on given themes.

All the so-called "super-minis" for instance, are Peugeot, is to go for unobtrusive designs that may not hit you between the eyes but are still acceptable five or even 10 years later.

In the last resort, the

stylist cannot hope to please all the people all the time. Styling must be in the eye of the beholder and goodness have been won and lost because the look of the vehicle either drew the customer into the showroom or kept him out.

Peter Waymark

Miles Ahead, an exhibition of car design featuring the Mini Metro and Ford Escort, will be at the Design Centre in London until November 15.

Despite rising costs sales continue to grow

Every driver knows that the cars in large numbers more economical cars have been a drag because they could no longer afford them. The price rise in the cost of longer cars in use in rationing. In the event, people the car has not crashed like this: 1970, 14,500,000; 1975, 11,500,000; 1979, 14,500,000. The biggest single item of the family expenditure, yet car ownership has continued to grow and sales of new cars in Britain more than quadrupled in the decade since 1970. It has risen only 26 per cent with a marked slowing in the rate of increase in the past five years. Either rising costs have helped to check the rate of increase, or the market is getting closer. Put new cars sold was 1.7 million in 1970, 2.1 million in 1975, 2.3 million in 1979.

First, there are new people who aspire to own a car. The Mini is the car now have one. If so, it is only possible point of comparison as it is the one car the population that either that went through the decade in more or less the same form. This is how Mini prices have risen, the proportion of British households in each case relating holds without the use of a figure to the cheapest model: car is still more than 40 per cent. 1970, £638; 1975, £1,299; 1979, £2,684.

A second barometer of rising costs must be related to earnings. According to the Department of Employment, average earnings during the decade rose in percentage terms as follows: 1970, 100; 1975, 120; 1979, 139. The rises have not been steady but have tended to happen in large jumps. Petrol prices almost doubled the same formula, the picture is a few months after the Vonn Kipkur war of October 1973, and then reached a plateau for a while. There was a further steep rise in 1979, helped on this occasion by the Chancellor of the Exchequer.

The Automobile Association produces a schedule of car running costs, which tries to take in all the relevant items—insurance, depreciation, petrol, servicing and repairs. For a small family saloon, a car in the class, doing 10,000 miles a year, the annual cost has risen as follows: 1970, £442; 1975, £580; 1979, £842.

So it can be seen that on average, the cost of running a car has gone a little ahead of incomes. This can be compared with the decade up to 1973, when the cost of running the same car rose by 65 per cent and average earnings by 45 per cent. What seems to have happened in the past decade is that motorists have tended to make sacrifices in other directions to keep the car going. All the evidence seems to be that once they have tasted the freedom of a car, they are reluctant to give it up. During the energy crisis which fleet buyers feel times during the decade but of 1973-74, it was widely predicted that motorists would switch to smaller cars.

The picture is undistorted by the end of the decade. It is estimated that as many as 20 per cent of new cars in Britain went to people who were not ultimate owners. They were bought for them, often by family members, to keep the car going for them. Compulsions of a bigger car than they could afford. The alternative policy, which car owners, private owner and a very reluctant to give it up. During the energy crisis which fleet buyers feel times during the decade but of 1973-74, it was widely predicted that motorists would switch to smaller cars.

During the energy crisis which fleet buyers feel times during the decade but of 1973-74, it was widely predicted that motorists would switch to smaller cars.

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